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ABSTRACT

In this report transcripts of panel discussions dealing with the status of elderly women in Oregon are presented in relation to current political legislation and policy. Following opening statements by Representatives Ron Wyden and Don Bonker, issues of social security and income maintenance are addressed by representatives of the Older Women's League; the Aging Council; the Department of Human Services, Oregon; and the Center for Gerontology, University of Oregon. Two articles, "The Payoff Stage of Life for Older Women," and "Inequality of Sacrifice: The Impact of the Reagan Budget on Women," are presented in full. Excerpts of reports from the Women's Equity Action League which include an analysis of the Administration's 1983 budget, fact sheets on social security and women, and pension policies affecting women, are included. Transcripts of testimony in a second panel discussion concerning the impact of health care cuts on older women are presented. Discussions of the impact of budget cuts on community services, and the impact of Reagan budget cuts on older women are provided. Prepared statements from Woodrow Wilson, executive director of the Oregon-Washington Farmers Union, and from Beverly Lincoln, executive director of the Lower Columbia Community Action Council, Inc., are also presented. (WAS)

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THE IMPACT OF REAGAN ECONOMICS ON AGING WOMEN: OREGON

HEARING

BEFORE THE

SUBCOMMITTEE ON
RETIREMENT INCOME AND EMPLOYMENT

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

SECOND SESSION

SEPTEMBER 1, 1982, PORTLAND, OREG.

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THE IMPACT OF REAGAN ECONOMICS ON AGING WOMEN: OREGON

WEDNESDAY, SEPTEMBER 1, 1982

House of Representatives,
Subcommittee on Retirement Income and Employment,
Select Committee on Aging,
Portland, Oreg.

The subcommittee met, pursuant to call, at 10 a.m., in the Bonneville Power Administration Building, Portland, Oreg., Hon. Ron Wyden presiding.

Present: Representatives Wyden and Bonker.

OPENING STATEMENT OF REPRESENTATIVE RON WYDEN

Mr. **Wyden**. At this morning's hearing the House Select Committee on Aging has convened to measure the impact of budget cuts on older women.

My colleague from southwest Washington, Mr. Bonker, is here today. I am going to give a very short statement about the issues we are going to be looking at today and then I am going to turn it over to my colleague.

As I said, the purpose of today's hearing is to measure the impact of budget cuts on older women, to decide whether those budget cuts that have been enacted over the past 2 years have been fair to older women or whether they have worked an undue hardship on this segment of the population.

Before we get started with the hearing, I think we have got to carefully identify who it is we are talking about and what the stakes are in all of this. When we talk about older women, we are not talking about some faceless entity that none of us know or are likely to meet. We are talking about our mothers, our grandmothers, the neighbor down the street, about lots of the people that are here in this room today. They are all very real people, people with real concerns and real problems, people who live in the real world, and make ends meet just like you and I have to.

Older women represent 60 percent of all older Americans over 65, and 75 percent of those over 75. Some 60 percent of them have no source of income other than social security benefits which average $305 per month. Approximately 50 percent of them live at or below the poverty level of $4,900 per year. And for minority elderly women, the picture is even bleaker. Two-thirds are officially poor or more than 80 percent are near the poverty level.

If it sounds like we are talking about a group of vulnerable people, that is absolutely right. And yet this is the same group of people who are being asked to shoulder a significant portion of the budget cuts in this country.

Medicare deductibles for older people are scheduled to increase $100 over a 3-year period, with nonhospital costs going up an additional 25 percent; 60 percent of medicare benefit beneficiaries are older women. Housing programs for the elderly, 40 percent of which benefit older women, have been reduced by 50 percent. Legal services on which many older women depend just to get their day in court, has been cut drastically and may be eliminated altogether.

Finally, just last weekend, President Reagan vetoed funding for the senior community service employment program, a move that will throw out of work 54,200 people, two-thirds of which are older women.

I don't think there is anyone in this room or this country that doesn't feel the Federal budget needs to be cut. Soaring Federal deficits and the high interest rates they spawn are killing the Pacific Northwest and our country.

The question is, where are those cuts going to be made? Can we justify spending $12 billion for handouts to the big oil companies when we are cutting employment programs for older women? Can we rationalize authorizing billions of dollars to cover Pentagon waste and cost overruns if we can't afford to pay the housing costs for our mothers and grandmothers? Can we really explain a budget that allocates $1.4 million to inoculate pets of military personnel that drastically reduces funding for health care services to older women?

The administration says the cuts in programs for older people are really only cuts in administrative costs and overhead. All we are doing is cutting the fat and we are not cutting the lean.

The purpose of this hearing is to really find out whether that is the case, whether the people that are most directly affected by the cuts feel that is the case or that the budget priorities are fair and reasonable or whether older women have been asked to shoulder more than their share.

And I am just very pleased to have my colleague, Don Bonker, from southwest Washington here who is one of the people in the Congress known as a senior advocate. I remember when I was director of the Gray Panthers for 7 years before I came to Congress, all these seniors over on the Washington side of the river would say, "You have to meet Don Bonker. You have got to meet Don because he is a great advocate for seniors and somebody we always call on in the Congress."

We never met when I was a director of the Gray Panthers. But we have finally met now as colleagues on the Aging Committee. And I think here in Oregon we are just very fortunate to have Don Bonker back, not just for the seniors in this region but for everybody in this region. Don will have an opening statement and then we will proceed with the hearing. Don, I really appreciate your being here.

STATEMENT OF REPRESENTATIVE DON BONKER

Mr. BONKER. Thank you, Ron, for the nice words and it is nice to come back to Portland where I have some roots. I worked for Mrs. Newburger who represented this State very ably. And while on her staff, I was assigned to the Senate Select Committee on Aging in 1964, at a time when we were conceiving new ideas like the Older Americans Act and the original medicare bill. I am a graduate of Lewis and Clark College so I have a great deal of affection for Portland and I am happy to come back and participate in this hearing.

Ron Wyden is quite honest about my efforts on behalf of senior citizens, but senior citizens are fortunate to have many men and women in Congress committed to their issues. Some of us acquired this commitment as a result of being in Congress, but Ron brought to Washington, D.C., has deep concern about senior citizens that he developed as a senior activist in the State. Ron understands the need for these practical programs to be sustained so that we can make retirement years more enjoyable for those who have helped to make this such a great country.

I would like to put into context the same thing that Ron Wyden mentioned in his opening remark, by profiling the typical person who is a subject of these hearings. She is 65 years or older and she represents 59 percent of the senior population in this country. Most of her life has been devoted to being a wife, a mother, and a homemaker. She is likely to be a widow and living alone. And because she has not had the same access to the work force and the opportunity to be employed during most of her years, she has not been able to accumulate a pension or other retirement benefits except for that which is dependent upon her spouse. Thus, she represents nearly three-quarters of those who are over 65 and who are below the poverty level with an average annual income of $5,000. Due to her low economic status she is more dependent on Government programs such as social security, medicare, medicaid, and housing just to survive.

So when one looks at the rather severe budget cuts, almost all of which comes out of one-quarter of the Federal budget, generally the person who fits this description is the victim, and that is why we are concerned about the trend in setting budget priorities. Ron Wyden went through a number of areas of budget cuts which seems to be ongoing, but in that tax bill Congress passed 2 weeks ago, without our support, that bill was portrayed as a great step toward economic recovery, because we were increasing mostly through excise taxes and compliance measures new sources of revenue.

But the fact is, we will bring in next year only $17 billion as a result of this new tax bill while at the same time the Kemp-Roth tax bill that the President asked for and the Congress accepted last year represent a loss of $98 billion to the Federal Treasury. So when all is said and done, I think the story will report that Ronald Reagan did not reduce taxes, he merely shifted the tax burden from the wealthy to the working people. The recent tax bill also included a number of reductions that are counted as savings, including $13.3 billion in the medicare program.

And the typical woman that we are describing here is a primary beneficiary of this program that is being severely cut by $13 billion. I won't go through all of the items but it is a whole litany of new budget reductions and in some occasions increases that are being placed upon the beneficiary. The current monthly premium, for instance, is $12.20 which in a few years, will go up to $13.70 and even to $15.30 a month.

So while we are cutting taxes for the healthy, we are trying to find new sources of revenue to be paid by those who can least afford it. But beyond that, there are a number of areas where the administration wants to tighten up the medicare program. The administration says at the outset all they are doing is making the program more efficient or that the cost will be borne by the providers: the hospital or the doctor. But everybody knows that this group of health care providers are not going to come out on the short end of the stick as a result of this enactment. Those additional costs will be passed on to senior citizens.

You know, when you get a doctor bill anymore, it is not a bill for that bed that you occupied. You get a whole breakdown for almost everything. If they bring in a glass of orange juice, that is an additional charge and it is amazing how that thing adds up.

So what the administration is trying to do in order to "save money," is to reduce the levels of medicare reimbursement and to eliminate, in some cases, a number of the services that are a necessary part of your hospital stay. That is one of the many reasons why Congressman Wyden and I voted against that bill. And I personally took issue with the Democratic leadership for leading us down that path because I think there were alternatives that could have raised necessary revenue without placing burdens on working people and citizens.

It is a pleasure to be here and I thank you for the invitation and I am looking very much forward to the testimony that will be presented today.

Mr. WYDEN. Thank you for really an eloquent statement on exactly what we are talking about here today.

I think we want to go right to our witnesses. We would like all of you, because we are on a tight schedule and have a lot of people we would like to hear from, we would like all of you to identify yourselves, your organization, where you are from and proceed with your statement. We would like all of you to keep all your initial statements to 5 minutes so we have some time for questions.

We will just begin with you, Ms. Bader, or start on the other end and just go from right to left.

Please proceed.

PANEL ONE: SOCIAL SECURITY AND INCOME MAINTENANCE, CONSISTING OF ELIZABETH MEYER, SOUTHWEST WASHINGTON OLDER WOMEN'S LEAGUE [OWL]; NANCIE FADELEY, DIRECTOR, NATIONAL BOARD MEMBERS, OLDER WOMEN'S LEAGUE; ALAN HAM, CHAIRMAN, SOUTHWEST WASHINGTON AREA ON THE AGING COUNCIL; MARY REISINGER, HOUSEWIFE, PORTLAND, OREG.; PAT THACKER, SENIOR EMPLOYMENT PROGRAM COORDINATOR, DEPARTMENT OF HUMAN SERVICES OF THE STATE OF OREGON; AND JEAN BADER, DIRECTOR, CENTER FOR GERONTOLOGY, UNIVERSITY OF OREGON

STATEMENT OF ELIZABETH MEYER

Ms. **Meyer.** Congressman Bonker and Congressman Wyden, I am Elizabeth Meyer, a 25-year resident of southwest Washington in Clark County. In that time I have worked as a homemaker, volunteer, a professional and a paraprofessional. My task is easy today because the two Congressmen have already presented many of my points. But unless we address the problems that we are seeing in old age, at least by middle age, those problems followed by increased public expense, to say nothing of increased human misery can only proliferate.

As Congressman Wyden pointed out, the primary problems present of aging in America today is economics or simply an inadequate income. An adequate income will buy health care and health insurance, good housing in a safe neighborhood, a high protein diet or an adequate diet and many of the necessities of life. But what we are generally not realizing is aging itself is primarily a woman's issue.

Today, women are living statistically 10 years longer than men are and the median age of womanhood is 56, with these gaps widening. So the higher the age, the higher is the population of women in our society today. And women are generally living alone, having survived the spouse, where men are generally married and living with the spouse. There is quite a lot of difference in the loneliness and isolation experienced by women.

The older woman today, that is the woman of my generation, were conditioned not to work outside of her home. A lot of volunteer work may have been expected of her but her primary contribution to society was to raise a family of good citizens, enhance her husband's career, keep a clean and stable home, and so forth. So when she loses that unpaid job, she doesn't have worker's benefits. She doesn't have any employment insurance to carry her along for a little while, she hasn't accrued any social security or retirement benefits. And it is appalling how many older women do not even have health insurance. Now, added to the widowhood is the mushrooming divorce rate even among marriages of longstanding and we have a great many women living alone in poverty. Between 70 and 75 percent of older people living in poverty are women.

So we need to recognize that though they may have gained valuable skills through the years, they are probably not considered marketable and they probably have not had any recent work experience. So we must be willing to provide training opportunities and temporary employment programs for this population. We must recognize that their talents should be brought into the gross national product.

The Congressmen spoke of the cuts in funding already for these kinds of programs and it appears that there are more to come. The Older Women's League and the Displaced Homemaker Network, among others, are attempting to bring these issues before the public so that there is more awareness of the circumstances of the older woman and what needs to be done about it.

I just want to allude to two excellent reports; one is called the "Inequality of Sacrifice: The Impact of the Reagan Budget on Older Women." It is very good, a whole section on elderly women and economics of aging. All these problems are very clearly stated and I highly recommend that you read them.

Thank you very much for asking me to come today.

Mr. **Wyden**. Thank you for an excellent statement but I think we will just defer our questions until all the panel has had a chance to speak.

It is very nice to have Nancie Fadeley, a long-time friend and advocate for a lot of causes that are important to Oregonians that are here today.

Ms. Fadeley, just proceed with your statement, please.

STATEMENT OF NANCIE FADELEY

Ms. **Fadeley**. Good to see you today, Congressmen. My name is Nancie Fadeley. I reside at 260 Sunset Drive, Eugene, Oreg., and I am delighted to appear before you today in my capacity as a director of the National Board Members of the Older Women's League which we call OWL.

OWL is a national advocacy organization which speaks out for the concerns of middle-aged and older women. We may be one of the fastest growing organizations around since we are less than 2 years old and have 73 chapters and more in the process of organization.

There is reason for our rapid growth. The problems of middle-aged and older women have long been invisible. It has not been appropriate for the widow to complain, for the ex-wife to be demanding, for the mother to nag or for the spinster to speak up, so it has been assumed that we had no problems. The women's movement has raised our country's consciousness about the needs of younger women; and gray activism about aging in general. But not until the Older Women's League was there an advocacy organization aimed at the concerns of middle-aged and older women. So you can see why OWL has been welcomed and I might add, why we welcome your presence here today. Thank you for your attention to our concerns.

On behalf of the Older Women's League, I would like to enter into the record, "The Payoff Stage of Life for Older Women." This is an OWL critique of the final report of the White House report on aging.

We are pleased that the White House Conference on Aging with all its flaws did, nevertheless, break ground in one exciting way: It had a committee on the Concerns of Older Women, Committee 11. I attended that as a member of the press. We were even more pleased with the way the recommendations of that reflected our concerns, but we were displeased that these references were lost in the final report.

Volume 1. which is billed as a national policy on aging and centerpiece of the document, completely ignores women and the recommendations of Committee 11——

VOICE FROM AUDIENCE. Go back a little ways. We missed what you are talking about.

Ms. FADELEY [continuing]. Does this mean that the recommendations of the Committee on the Concerns of Older Women, recommendations dealing with social security, pensions, employment, housing, health care, and other issues affecting women, were not seen as appropriate to a national policy on aging?

I would like to make a final report and point out that it did leak out, the recommendations of the Committee 11, which was a committee on the concerns of older women.

According to Alice Quinlan, who is the Older Women's League's Washington representative, who prepared this critique, which I draw your attention to, the White House Conference final report quite literally ignores women. The word "women" appears on only 17 of the many pages of volume 1, and all but three of these references are inconsequential. Of the 52 recommendations, only two include the phrase "older men and women." Yet older women constitute nearly three-fourths of the aged, poor, and outnumber men 2 to 1 in the older categories.

Since I am asking you to include this critique in your report, I am not going to talk any more about it with the exception of a bit of outrage in the philosophy expressed in the conclusion of the final report, the philosophy that individuals have numerous opportunities to prepare for a comfortable and secure old age, "The choices individuals make are the most important factors determining what kind of old age they will have. Most elderly persons who are independent took steps to prepare themselves for old age and preserved their health when they were younger, although it is true that not all old people who need help failed to take those steps. Old age is a payoff stage of life, when decisions are made and patterns adopted earlier in life begin to produce dividends or exact their price."

If old age is a payoff, most women have been making extraordinarily poor investments. The administration's message to women is unmistakable: find a well-paying job and make it your top priority, begin a careful program of personal financial investment, forget about staying at home to care for children or elderly family members, because that is just more zero years for social security, the society in which you have traditionally invested is no longer paying dividends, and the price that is being exacted for continued investment is too high.

The second item I would like to bring to your attention has already been brought to your attention by Ms. Meyer. It is the "Inequality of Sacrifice; the Impact of the Reagan Budget on Older Women." This was prepared by a number of women's organizations and it was our representative who wrote the section on older women. And though I cannot share any more copies, and you already have this, the copies have been given to the Members of Congress. We have been through two prints and we are not going to reprint it but we do have a copy of the Owl Observer which has printed in entirety a section relating to older women and I would direct it to your attention and provide you with more copies if you wish. I would go through the items but I am sure other people will and you have already both touched on them about the Inequality of Sacrifice that is referred to women, SSI which will affect mostly women, food stamps, women's housing, low energy assistance, and medicaid.

Just let me thank you for directing your attention to the discussion of this subject which has not been perceived discussion in the past and wish you well.

[The material submitted by Ms. Fadeley follows:]

The "Payoff Stage of Life" for Older Women": A Critique of the White House Conference on Aging Final Report

Last December an article on the White House Conference on Aging appeared in the New York Times with the headline: "Older Women: No Longer Invisible." The release of the administration's Final Report of that conference now has many people wondering if the visibility was only a temporary aberration, or if its authors were wearing blinders.

The picture on the covers of the three-volume, 459-page reports sets the tone—a retired white male professor. Where are women? Where are minorities? Where are the aged poor? Their presence and needs are evident neither on the cover nor inside. The Final Report is supposedly "built on the comments, findings, and recommendations that emerged from the 1981 White House Conference on Aging and are appropriate to a national policy on aging for the next decade."[1] Volume 1, which purports to be that National Policy on Aging and is described as the "centerpiece" of the document, completely ignores women and the recommendations of Committee 11, on the Concerns of Older Women. Apparently those recommendations—dealing with Social Security, pensions, employment, housing, health care, and other issues affecting women—were not seen as "appropriate to a national policy on aging."

A lengthy analysis would be required to document fully the distortions, omissions, and unwarranted inclusions of material and recommendations in the report. This critique will primarily address the omission of women's concerns, but cannot ignore its most fundamental flaw: the Final Report is based on the political and social ideology of the Reagan administration. Thus the report includes themes and recommendations not supported by delegates, either at the conference or in post-conference surveys, and it ignores recommendations around which there was consensus.

Delegate deliberations at the White House Conference on Aging resulted in about 620 recommendations hammered out in 14 committees, whose reports were accepted by the entire group at the end of the conference. Committee 11, the Concerns of Older Women, produced 47 recommendations, and seven other committees passed a dozen more, specifically dealing with the unique problems and needs of older women. Later the delegates' views on these recommendations were surveyed by the White House Conference on Aging staff, and separately by the Senate Special Committee on Aging and the American Association of Retired Persons.

The Final Report contains 53 recommendations on the economy, retirement income, health, social services, and research. The report states that these recommendations are "the result of a careful process which considered more than 600 recommendations produced by the delegates . . . and the results of the post-conference survey."[2] Despite this claim, there is little resemblance between the delegate recommendations and those appearing in the "National Policy on Aging." (Could this be why Volume 1, the policy statement and recommendations, was printed separately from the delegate recommendations and survey results?)

In both post-conference surveys, for example, delegates clearly repudiated the "inflation-fighting" recommendations of Committee 1 (such as balancing the budget, reducing federal budget outlay growth, and other macro-economic policies), as well as recommendations to foster competition in the Medicare/Medicaid programs. Yet both of these issues are prominently featured in 10 of the 53 recommendations in the Final Report. At the same time, two top priority concerns of the delegates—preservation of current social security benefits, and the expansion of health care benefits—are not addressed in the Final Report.

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[1] "Final Report of the 1981 White House Conference on Aging," vol. 1,"A National Policy on Aging," p. 12.

[2] Implemenation report, p. 1.

As required by law, implementation steps for each of the 53 recommendations were developed to accompany the report sent to the President and to Congress by the Secretary of Health and Human Services. Here the shoddiness of the entire process and its transparent political manipulations are fully exposed. The suggested implementations are at best trivial and at worst cynical distortions of the intent of delegates. A few examples:

Recommendations: The rate of growth in Federal Budget outlays must be reduced to avoid neutralizing the positive effects of increased private savings.

Implementation: The Congress should adopt the principles inherent in the President's program for economic recovery.

Recommendations: Private sector firms should show all feasible restraint under existing circumstances to limit price increases.

Implementation: Private firms, by restraining price increases, will help keep inflation under control.

Recommendations: Public and private agencies serving the aging should be cognizant of the particular needs of minority populations, including Blacks, Hispanics, Asian Pacific Amercans, and Native Americans.

Implementation: Letters should be sent to governors, organizations of State legislators, and executive directors of local government groups to convey this recommendation for their consideration.[3]

While disregarding individual recommendations in shaping the Final Report is a distortion of the White House Conference on Aging, disregarding the work of an entire committee is a disgrace. The most careful reader will not find the influence of Committee 11, Concerns of Older Women. This report quite literally ignores "women." The word appears on 17 pages of Volume 1, all but three of them inconsequential references. Of the 53 recommendations, two include the phrase "older men and women." That is the complete extent to which older women and their special needs are recognized in this "national policy on aging", in a country where older women constitute nearly ¾ of the aged poor, and outnumber men two to one in the older age categories.

Here is the full text of the significant, although in the first two cases undeveloped, treatment of older women in Volume 1.

"The vast majority of the very old are women, and a large proportion of them have not had the same access to the workforce as men and therefore have not had the opportunity to accumulate pension rights and other retirement benefits.

"Sixty-six percent of the adult recipients (of SSI) are women.

"The institutionalized elderly person today tends to be a woman who has outlived her husband. Prior to institutionalization she was poor and lived alone. She was unable to purchase the services she needed and had no one at home to provide for her. She was admitted to a nursing home from a hospital. Another person with the same medical condition, but with money or a caregiver, might never require a nursing home. The first patient would require considerably more assistance to avoid institutionalization than the second." [4]

The following analysis compares, issue by issue, the recommendations of Committee 11 and those of the Final Report of the White House Conference on Aging.[5]

DEMOGRAPHIC RECOGNITION

The very existence of Committee 11, the Concerns of Older Women, called for a recognition of their special problems and needs. The committee identified women as the majority of the aged (59 percent) and a disproportionate majority of the aged poor (73 percent). Examined were median annual incomes of those over 65 (men—$7,342, women—$4,226, in 1980 when poverty level was $3,941), and poverty rates (five times greater for black women than for white men). Also recognized were differences in marital status (85 percent of surviving spouses are female, and unmarried women over 65 outnumber unmarried men 4 to 1), and in the pay scales and retirement benefits for women's traditional work.

The Final Report does not recognize, as a beginning point, that women make up the majority of those over 65, and that half of them are very near or below the poverty level. It tries to debunk the "misperception" or "myth" that "masses of the elderly suffer from inadequate income" (p. 8, 96). In order to design "a sensible and effective National Policy on Aging", states the report, "we need information on the number and nature of the elderly now and in the future" (p. 109). With highly relevent data essentially ignored, how could the causes or the solutions to poverty among older women be addressed adequately?

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[3] Implementation report, pp. 4, 3, 16.

[4] Final report, pp. 10, 46, 111.

[5] In the sections that follow, all page references are to vol. 1.

SOCIAL SECURITY

Recognizing that Social Security is the sole source of income for large numbers of older women, Committee 11 called for the restoration of minimum benefits, the safeguarding of current eligibility standards and benefits, including cost-of-living adjustments, and an increase in below-poverty benefit levels for SSI.

The Final Report ignores a clear "no benefit cuts" mandate from a majority of the committees, and calls for unspecified short and long range solutions to Social Security financing, while recommending the elimination of "disincentives of the Social Security program to continued employment" (p. 65). The report casually notes that under Social Security, women "can expect to receive better benefit/contribution ratios than men" because "as a group (they) have longer life expectancies" (p. 55). Neglected is the fact that as a group, women have substantially lower lifetime earnings (and therefore benefits) because of lower wages and years out of the labor force for child rearing.

PENSIONS

Since such a high proportion of women are "pension losers", Committee 11 passed very specific resolutions dealing with regulatory and legislative changes in public and private pension policy that would help them gain access to pension income in retirement. (Their most detailed recommendation, proposing changes in ERISA dealing with survivor benefit decisions, vesting requirements, and break-in-service provisions, was omitted from the compilation of Committee actions, and thus from any further consideration).

The Final Report speculates that ERISA requirements "probably contributed" to the reduced growth rate of private pensions since 1974, blandly recommends that "employer pensions be fostered by public policy", and warns against "possibly counterproductive public regulation of employer pensions" (pp. 43, 65, 63).

EMPLOYMENT

Committee 11 and three others focused on employment as critical to the pensions and personal savings older women must have to be economically self-sufficient. Seven conference recommendations called for education and training programs for older women entering the paid labor force after years devoted to family responsibilities, and for jobs programs that recognize the transferability of skills developed in homemaking. They also urged full enforcement of age discrimination, equal pay, minimum wage, and other legislation that could help women overcome the compounding effects of age and sex discrimination.

The Final Report calls for increased "employment opportunities for older men and women" through the development of part-time, temporary, shared time, and flex-time jobs by employers (p. 65). A related recommendation, and the second to mention women, suggests that educators and job placement officials examine their current practices to see if educational programs are available "to older men and women . . . to provide skilled training, job counseling, and job placement" (p. 105). There is no mention of the need for specialized counseling and supportive services for older women, particularly displaced homemakers, nor any commitment of national employment and training resources. Although women over 40 have been the fastest growing segment of the labor force, the report dismisses the increased labor force participation of older women as a "phenomenon related to the overall increase in female labor force participation" (p. 19), choosing instead to concentrate on the declining labor force participation of older men. Thus it seems to be taking aim at early retirement benefits under Social Security as one way of "enhancing increased labor force participation by older workers" (p. 35), without recognizing that most women elect early retirement because they cannot find work to support themselves, or because they are no longer able to work. Finally, the report places great emphasis on eliminating mandatory retirement (pp. 11, 20, 42, 104), without a parallel concern for enforcing compliance with existing laws prohibiting age, sex, and race discrimination in hiring as well as firing; such discriminatory hiring practices are a major impediment to midlife and older women's employment.

HEALTH ISSUES

As the basis for meeting the special health needs of the elderly, Committee 11 recommended a comprehensive national health program emphasizing preventative care. Its delegates joined those of other committees in calling for the extension of Medicare/Medicaid coverage to include such items as prescriptions, equipment, dental care, eye and ear care, and transportation to obtain services. Concerned that a major portion of Medicaid money is spent on care in nursing homes, where most residents are elderly women, Committee 11 called for Medicare/Medicaid coverage of less restrictive and less costly forms of care, such as home health care, adult day care, and foster care.

In the Final Report, the health care emphasis of the National Policy on Aging is anti-regulatory, and would shift more of the health cost burden to the elderly by providing "economic incentives" for decreased use in lower cost settings. The use of Medicare vouchers is one option recommended to accomplish this. Another is encouragement of and the removal of disincentives to "the role that spouse and family can and should play" in long term care (p. 87). The goal of targeting limited public resources to "those who are poor or who have no family left to help provide care" (p. 88) might be helpful if the ultimate aim is not to curtail services to others who need them. The discussion on long term care—indeed, the entire chapter on health care—never identifies those most in need as women. Older women constitute a very high percentage of the frail elderly, suffer more from chronic diseases, and are more likely to be poor and alone. Nor does the report recognize that most primary caregivers in the home are women, and that because 85 percent of surviving spouses are women, most older men have a spouse to care for them, while most older women do not.

COMMUNITY AND SOCIAL SERVICES

The Committee on Concerns of Older Women highlighted the need they have for housing alternatives, energy assistance, legal services, transportation, and other services that will help them live independently in the community as long as possible. They took special note of the substantially more difficult circumstances of minority and rural elderly women, and recommended that social services be specially targeted to them.

The Final Report questions the very existence of "a substantial problem in the area of social benefits and services for the elderly" and if existing, whether "it requires a government solution" (p. 96). The need for legal services is simply ignored, and it is recommended that the appropirate role of the federal government in housing for the elderly is "to explore housing options" including the "analysis of innovative financing, construction, and living arrangements" (p. 105). Readers are assured that "the free market system provides the best mechanism to meet many of the needs of the elderly" (p. 103). Nothing is said of the private sector's willingness to provide services if the elderly can't pay for them.

CONCLUSION

Perhaps the most chilling aspect of the administration's Final Report of the 1981 White House Conference on Aging is the philosophy that "individuals have numerous opportunities to prepare for a comfortable and secure old age, if they are able to use them" (p. 100). Rugged individualism applied to the aged has crucial public policy implications. For all the caveats that not all the elderly who find themselves in difficulty in old age were improvident earlier in life, the implication is that many were. Consider the logical conclusions women must draw from the following Final Report statement:

"The choices individuals make are the most important factors in determining what kind of old age they will have. Most elderly persons who are independent took steps to prepare themselves for old age and preserved their health when they were younger, although it is true that not all old people who need help failed to take such steps. . . . Old age is a payoff stage of life, when decisions made and patterns adopted earlier in life begin to produce dividends or exact their price.[6]

If old age is the payoff, most women have been making extraordinarily poor investments. The administration's message to women is unmistakable: find a well-paying job, and make it your top priority. . . . begin a careful program of personal financial investments. . . . for get about unpaid labor in the home (no pension and no benefits), forget about staying at home to care for children or elderly family members (more zero years under Social Security). . . . the society in which you've traditionally invested is no longer paying dividends, and the price that's being exacted for continued investment is too high.

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[6] Final report, p. 98.

How might advocates for older women respond to this report?

Should we dismiss it as a "library document" that few people will read, and fewer still act on? (As one observer noted, "How many people do you know who have and refer to a copy of the 1971 or 1961 conference reports?")

Should we conclude that the essence of the White House Conference on Aging was in the process, rather than the products—a process that included community, state, and mini-conference activities that built interest and awarness? (We can remind ourselves, for example, that the mini-conference on older women was the occasion for the founding of the Older Women's League).

Should we set the record straight that the final report does not reflect the recomendations of a majority of the delegates, and that it totally ignores the special needs of older women? Should we be especially vigilant lest its conclusions be used to support and bring about regressive aging policies?

Perhaps we should put this document behind us, and take as a slogan the words of Mattie Bingham, a mini-conference participant concerned about conditions in nursing homes, who admonished, "I want all you women to just keep on pushing. Push! Push! Push!"

As a growing force that policy makers render invisible at their peril, older women—and the Older Women's League—will just keep on pushing!

[From the Owl Observer, July-August 1982]

Inequality of Sacrifice: the Impact of the Reagan Budget on Women

OVERVIEW

The 1983 Reagan Administration budget calls for inequality of sacrifice—the budget cuts proposed by the President have a devastating impact on women and their families at every stage of their lives.

As Congress reviews the proposals of this Administration, the inequalities must be seen in human terms. What are the cumulative effects of these budget cuts on millions of women across our country? Whether they are old or young, single, married, divorced or widowed, working at home or working for pay—what will be the impact on them of the Reagan budget?

Examined individually, the proposed cuts are harmful to women; in combination, the budget cuts are devastating. For example, not only are funds for training decreased, but child care support is being withdrawn; grants and loans for independent students are being cut; food programs for women, infants and school children are being eliminated. Each action diminishes opportunitites for women and threatens the stability and health of the American family. Recent studies have shown women to be the fastest-growing poverty group in our nation; by the year 2000, female-headed households and their children are expected to comprise 100 percent of the poor. This budget analysis looks at women and the government programs benefiting them that are threatened with decreased funding or total elimination.

"Inequality of Sacrifice: The impact of the Reagan Budget on Women" is broken down into four major sections: (1) Women in Families, (2) Girls and Young Women, (3) Women in the Workforce and (4) Older Women. Some highlights from the report:

The Reagan budget means greater instability for families. For women who head their families—half of all families in poverty—it will mean a decline into deeper poverty, it will mean less child care, less nutritional assistance, fewer health services. For women who are separated, divorced, widowed or abandoned by their husbands, it will mean reduced possibilities for job training, less support for their children's education and greater difficulty in getting legal services.

The Reagan budget will hurt women in the workforce who currently earn an average of 59 percent of what men earn. Reductions in support for child care programs will make the daily lives of working women more difficult. The working poor, in particular, will increasingly be forced to choose welfare over a minimum wage job in order to meet their basic needs for food, housing and health care. For those seeking jobs, fewer employment and training programs will be available. Federal staff cuts that reflect a decreased commitment to equal employment opportunity and affirmative action will have a negative impact on working women throughout the country.

The Reagan budget will decrease opportunities for girls and young women for education, jobs and a decent future. Proposed budget cuts threaten the progress that has been made toward educational equity; they also mean less vocational education, less job training and less access to family planning.

The Reagan budget will impose a harsh reality on older women, especially older minority women, the poorest of the poor in American society. Cutback in Medicaid, Medicare and food stamps will present older women with an increasingly ugly prospect for their "golden" years. Add to these the slashes anticipated in housing, legal services elderly nutrition programs and energy assistance and those golden years for older women quickly become the most frightening years of their lives.

The message that emerges from the myriad of detail of this Administration's budget is clear: The Reagan budget is unfair to women. If calls for unequal sacrifice, demanding the women, especially the poorest, shoulder a disproportionate share of this country's economic burden.

The Reagan budget cuts are callous. Mothers and their children, young women and girls, working women and those seeking employment, middle aged and older women, cannot carry the tilted load that results from shifting $35-$40 billion from domestic to defense programs.

The Congress of the United States has the opportunity to reverse the inequality of sacrifice placed on women by President Reagan's proposed budget. A workable budget for 1983 must be developed which does not ask so much of some and so little of others. Women are willing to sacrifice for their country when needed; they only ask that the burden be equally shared.

OLDER WOMEN

A. Introduction

Budget cuts proposed by the Reagan Administration for fiscal year 1983, coming on top of massive cuts last year, will hit hard at the elderly and the poor. The majority of those affected will be women.

A study by the Congressional Budget Office of the combined impact of last year's cuts estimates that 60 percent will come from persons with incomes below $10,000. Because reductions in means-tested programs (where income and assets must be minimal to receive benefits) are proportionately larger than cuts in other programs, they will have the most severe impact on those who are below or very [illegible] the poverty level

Nearly three-fourths of the over-65 who are below the poverty level are women. In addition, more women than men over 65 have incomes very near the official poverty level; with average annual incomes under $5,000 and a poverty rate of 19 percent—exceeding all other age groups in 1980—older women will be disproportionately affected by the proposed reductions and by slight changes in benefit levels and eligibility standards.

Particularly vulnerable are women over 65 who live alone or with unrelated individuals. In 1980, these 6.3 million women had a median income of $4,957; this means that nearly one-third were "officially poor" (income below $3,941) and half were "near poverty" (income below $4,926).

Older minority women are on the average the poorest of the elderly. While the poverty rate for all women over 65 is nearly double that of men, the rate for Black and Hispanic women is more than double that of White women. In 1980, for example, elderly Black women had a median annual income of $3,558, with two-thirds "officially poor" and 82 percent living "near poverty."

Whether young girls, "working poor" or retirees, women see that the Administration's proposed budget hurts poor women most, whatever their race or age. As one woman in Illinois put it: "I'm afraid of the things that are happening. I can't see how domestic programs can be cut any further. I know I can't afford to help pay for the Medicaid I'm on if that proposal passes. I live in a low rent apartment building of 46 tenants, most elderly women and disabled, and I see how they live right now. Believe me, they don't have luxuries."

For months the President has been claiming that he "hasn't cut a single budget" but has only been "reducing the rate of increase." Examples of real decreases in funding fill the pages of this report. Other Administration representatives note the high proportion of the proposed federal budget allocated for "social programs" and for benefits to the elderly in particular. Included in these federal figures, however, are Social Security benefits paid from trust funds, not general revenue, and Medicare premiums paid by the elderly themselves. The elderly's "share" of the proposed fiscal year 1983 budget drops from 27.7 percent to 8.4 percent if these figures are excluded from the unified budget. (Defense spending figures rise proportionately.)

Since women are the primary caregivers of both elderly and of children, they are not fooled by budget figures that could pit one generation against another. If children are held financially responsible for the long-term care of their aged parents and if AFDC benefits are cut because an elderly relative on SSI is living at home, the entire family suffers.

The following overview highlights budget proposals that will be especially harmful to older women:

The Administration has proposed a number of changes in Supplemental Security Income, a case assistance program for the aged, blind and disabled poor.

Of more than four million recipients of SSI, 54 percent are over 65; nearly three-fourths of these aged are women. Prorating, rounding down and eliminating income disregards extract insignificant total federal savings from elderly women whose incomes are already below the poverty level. Changes in disability requirements will impact heavily on older women with health problems, few skills and little paid work experience.

Senior Community Service Employment Programs under Title V of the Older Americans Act are targeted for elimination. This means the loss not only of thousands of paid jobs—fully two-thirds of them held by older women and one-third by minority women—but also the loss of services in the homes and senior centers for thousands of elderly recipients, the majority women. Middle-aged and older women who have spent many years in the home raising children and attempting to provide for their retirement years will find that mandated programs and services to help their transition into the paid labor force have been eliminated in Department of Education proposals.

Illness will be very costly to the average older woman if proposals for increased co-payments and deductibles for recipients and decreased reimbursement rates for doctors and hospitals are approved for Medicare and Medicaid. Increased provider costs will ultimately be shifted to patients. For the average older woman, the "modest" additional co-payments on a ten-day hospital stay will mean out-of-pocket charges of $520 or 12 percent of the median annual income of women over 65.

Cuts in food stamps will reduce or eliminate benefits for nearly all elderly recipients. The size of some reductions may appear insignificant. The Administration proposed dropping all payments of $10 or less per month. Under this provision, however, an elderly woman living alone on an income as low as $265 per month from SSI would be dropped from food stamp eligibility. This seemingly trivial amount of $10 per month is 3 percent of the median annual income of all American women over age 65.

About half of all public housing units and a third of all assisted units are occupied by the elderly; 75 percent of these units are headed by elderly women. An elderly woman living alone can expect her spendable income to drop another 5 percent for rent and cap at 25 percent for utilities. If she receives energy assistance, the amount must be added to income in calculating food stamp eligibility, but her considerable medical costs may not be deducted.

There will be few alternatives available to older women seeking legal advocacy if the Legal Services Corporation is abolished as proposed. Last year, about two-thirds of all persons assisted by Legal Services were women; 193,000 were poor elderly.

These budget cuts will be all the more devastating because they are both additive and compounding. The 1983 proposals have an additive effect because they come on the heels of stringent fiscal year 1982 cuts, many of which are only now being felt. And the insidious compounding impact of many proposals can only be described as a "catch 22." Here is an example:

Energy assistance will be counted as income in calculating food stamps.

But food stamps will be counted as income in calculating subsidized rents.

And while subsidized rents are increased, utility payments will not be subsidized if they exceed 25 percent of income.

So persons with large utility bills will need energy assistance.

The poor elderly—the majority of them women living alone—will fall through this very loosely-woven "safety net."

B. Income and jobs

One of the most critical issues for older women, on which so much else depends, is income security. Older women on the average have less retirement income than men and because of their greater longevity, must make that income stretch out over a longer period of time. Because only 20 percent of retirement-age women receive either public or private pensions (whether on their own or their husband's employment record), they depend heavily on income from Social Security, SSI and—when available—employment.

1. Social security and SSI.—Retirement income for substantial numbers of older women consists solely of Social Security. The Reagan Administration has not proposed cuts in benefit levels for Social Security, pending the final recommendations of its National Commission on Social Security Reform. Nevertheless, the 7.4 percent cost-of-living adjustment (COLA) scheduled to take effect on July 1 was the object of numerous alternative budget proposals and may yet be used as a trading chip in the budget balancing game. These proposals would cancel, postpone, reduce, freeze or cap cost-of-living adjustments in Social Security and other programs that are indexed to inflation. Several studies report that such actions would push hundreds of thousands of the elderly below the proverty line within the next three years. The effect of COLA reductions would be more pronounced among single elderly over age 72, where women outnumber men two to one. Any change in Social Security COLA will have a major impact on elderly women.

As a cash assistance program for needy, aged, blind and disabled persons, SSI is the last resort for thousands of the poorest elderly, primarily women. There are approximately four million recipients of SSI. Slightly more than half are aged; of these 73 percent are women. Unlike the AFDC program, the basic SSI benefit is totally federally funded. In fiscal year 1981 these federal benefit payments totaled approximately $6.4 billion. In addition to the federal benefits, states have the option of providing an additional state-funded supplemental benefit to SSI recipients, but only about half the states do so.

The current federal SSI benefit payment levels for persons living in their own households are $264.70 per month for an eligible individual and $397 per month for an eligible couple. SSI also has an indexing feature, meaning that if the annual cost-of-living index has gone up by more than 3 percent federal SSI benefit levels will automatically be raised to reflect the full cost of living increase. Thus, the SSI benefit levels were scheduled to be increased 7.4 percent on July 1.

The Administration is currently proposing a number of other cuts in the SSI program which it claims would result in a savings of $241 million over what would otherwise be spent on the SSI program in fiscal year 1983. The major proposals are summarized below, including the Administration's estimate of the dollar savings, and either the number of recipients whose SSI benefits would be reduced or terminated, or the number of persons who would be kept off the rolls if the proposal were adopted.

Benefits would be rounded down to the next lower dollar and would only be paid back to the date of application rather than to the first day of the month in which the application is filed. Currently, SSI benefits are paid back to the first day of the month of application if the applicant was eligible in that month, regardless of when the application was actually filed. Starting the payment period with the date of application ignores the fact that the individual is not newly poor on that date; it is simply one more way in which a needy individual receives less than what she needs. (Rounding benefits: $20 million savings, all recipients affected; paying from date of application: $40 million savings, 550,000 recipients receiving reduced first month payment.)

The $20 disregard would be eliminated. Under current law, the first $20 of the monthly income of any SSI applicant or recipient is disregarded or not counted in determining eligibility for and the amount of the SSI benefit. The elimination of this disregard would affect mainly individuals who are receiving both SSI and Social Security benefits because their Social Security benefits are so low that they are below the SSI benefit levels. ($15 million savings, 300,000 new applicants who would be denied benefits or receive reduced benefits.)

SSI overpayments would be recovered out of Social Security benefits. If an individual was overpaid while an SSI recipient and that overpayment was not recovered, an equivalent amount could be recovered out of her Social Security benefit.

A needy disabled individual would not be entitled to benefits unless the disabling impairment was expected to last at least two years and the impairment was of a type that was generally disabling. Requiring a two-year duration ignores the fact that the individual is currently in need because of the disability. The fact that a person may be less disabled in four or five months is not going to allow her to meet her needs now. It is equally irrational to look solely at the medical severity of an impairment and its impact upon the average or typical person. An impairment that only limits the ability to perform sustained heavy work may not be a major work impediment for a literate individual with good office skills but it imposes far different limitations on an illiterate woman who has done domestic work all her life. (24-month rule: $45 million savings, 35,000 people kept off the rolls; preponderance of medical factors: $75 million savings, 80,000 people kept off the rolls.)

Determining disability primarily on medical factors, instead of also considering vocational factors that affect employability, will hurt older women most. Their age, work history and employment skills when combined with health problems frequently render them truly unable to work.

2. Title V and Other Programs.—

(a) Senior Community Service Employment Programs: For the poor person over age 55 who needed additional income, the Senior Community Service Employment Program funded under Title V of the Older Americans Act has been an alternative. This program provides 54,200 part-time community service jobs to low-income persons. In 1981, almost 80,000 poor elderly persons held these jobs, which gave them the opportunity to earn needed income, while giving the community the benefit of their services, frequently rendered to other older Americans. Fully two-thirds of those employed through SCSEP are women and another third are minorities.

The Reagan Administration proposes to terminate this program, just reauthorized and currently funded at $267 million, even though it is targeted to those in need and is judged to be a successful and needed community program.

Defunding this program means not only taking away jobs from the elderly poor, but also robbing the community of the services they perform in such jobs as home health aides, energy conservation specialists and nutrition site staff. Last year about five million people were eligible for Title V; nearly a half million applied for the 55,000 available positions.

Rather than being dropped, SCSEP should be expanded to meet such obvious needs. One recent study showed that for every dollar spent on this program, $1.15 is returned to the taxpayers. Without the wages they earn, participants—who by definition are needy—would soon fall below the poverty level; the resulting unemployment and welfare costs may prove higher than what is now being spent on the program.

(b) Other employment and training programs: The Comprehensive Employment and Training Act (CETA), due to be replaced this year, has two provisions for assistance to older persons: older worker and displaced homemaker programs. But CETA is being cut $2.4 billion (a 68 percent reduction since 1981) and will not survive in its present form.

In the Administration's proposal, most employement and training funds would be block-granted to states and targeted to disadvantaged youth and AFDC recipients, with no provisions for middle-aged and older workers, no stipends and performance standards that might encourage screening out those seen as "unemployable"—such as a 59-year-old woman without recent paid work experience.

An Administration plans, a small program would remain at the national level, but it would pit older workers and displaced homemakers against a number of other special needs groups for total funding less than that of the former older workers program alone.

The loss of services for displaced homemakers is particularly distressing because successful model programs have been developed to help these long-time dependent homemakers to self-sufficiency following widowhood, separation, divorce of loss of AFDC benefits.

Cuts in vocational education programs similarly affect the resources midlife and older women have to gain skills that may ease their way into the paid labor force. Reductions in adult basic and high school equivalency programs will make the economic mobility of older undereducated adults almost impossible.

(c) AFDC: Finally it should be noted that proposed benefit cuts in AFDC can also affect older women. For instance, about 11 percent of all Black families headed by a female 55 or over have children under 18 and therefore could be AFDC eligible. Proposals to include as income to the AFDC unit the income of all adults living in the home may adversely affect family support systems and shared housing for the poor elderly, when the family would be better off financially if they were not present.

C. Health and nutrition

1. Medicare.—Medicare, the primary program providing health insurance for older Americans, is slated for $2.5 billion in cuts in fiscal year 1983. The Administration has requested $50.9 billion for Medicare, an increase of 11 percent over fiscal year 1982. But costs are increasing 16 percent annually, necessitating program changes to save the $2.5 billion. The Administration's proposals limit reimbursements and increase out-of-pocket costs for the elderly. The proposed changes include:

Reducing hospital reimbursement rates by 2 percent which will induce cost shifting to private patients, ultimately resulting in increases in private insurance rates.

Reducing doctor reimbursement rates, which will result in these costs being passed on to the patients;

Mandating health insurance coveage for workers 65 to 69 by private insurers rather than by Medicare;

Requiring co-payments for home health visits;

Increasing the Medicare, Part B deductible, which is now $75, to reflect inflation;

Beginning Medicare coverage on the first full month after the beneficiary's 65th birthday; instead of on the first of the birthday month;

Reducing reimbursement for hospital radiologists and pathologists;

Repealing outpatient rehabilitation benefits and outpatient physical therapy benefits that were added by the Reconciliation Act of 1980;

Setting new limits on reimbursements for renal dialysis;

Eliminating subsidies for private rooms in hospitals.

In addition to these changes, a proposal is expected which would significantly increase the cost of hospitalization for Medicare beneficiaries. This new proposal is expected to ask for additional co-payments of 10 percent of hospital charges for the 2nd through the 60th day of hospitalization, up to $26 per day. For an average ten-day stay, this would mean up to $260 additional, on top of the current deductible of $260 under Medicare, Part A.

All of the proposed changes would impact disproportionately on older women. Of all Medicare enrolees. 60 percent are women, ten million of them over 75. Nearly two-thirds of all home health care visits to the elderly are to women. Requiring co-payments for these visits could result in additional institutionalizations because women with incomes at or near the poverty level are unlikely to be able to bear additional costs. About 8 percent of women over 65 are in the labor force and already face age and sex discrimination. If the cost of employing these older women is raised by making the employer provide health insurance, many older women will lose their jobs. If the additional hospitalization co-payments are adopted, the total out-of-pocket cost of a ten-day hospital stay would equal 10 percent of the median annual income of women over 65. Finally, the changes that reduce reimbursements and shift the costs to the patient will mean that some poor elderly women will not be able to afford any health care.

2. Medicaid.—Cuts in Medicaid will also disproportionately impact on older women. Of all recipients, 40 percent are over 65. Over two-thirds (61 percent) of all Medicaid recipients are women.

The fiscal year 1983 budget request is $17 billion for Medicaid, a decrease of 5 percent from last year. This request comes at a time when states are reporting serious problems with funding their Medicaid programs because of cuts which were adopted in fiscal year 1982.

The Administration would achieve its savings by reducing payments to states and shifting costs to beneficiaries and their families. Specific proposals include: cutting $2 billion in federal payments to states; reducing federal matching rate for optional services to the categorically needy and all services to the medically needy by 3 percent; allowing states to require children to contribute to institutionalized parents' care; allowing states to put liens on nursing home residents' assets (such as a home) as a condition for Medicaid-financed care; requiring co-payments for all services.

These proposed changes will make it even more difficult for elderly poor women to get adequate health care. As noted above, many states are having severe problems meetings the funding needs of Medicaid. Some have already restricted benefits and eligibility to the extent the law allows. There is little or no way that states can absorb any additional cuts, without seriously undermining the programs. Co-payments, even if they are very small, may force many elderly poor women to forego medical care. The 3 percent reduction in the federal matching rate for optional services would impact on services on which the neediest of the elderly rely. These include: mental hospital care for persons over 65, intermediate care facility (ICF) services, dental services, clinic services and prescribed drugs. ICF, dental services and drugs are not provided under Medicare and are critically important to the low-income elderly.

Finally, large numbers of persons now covered under SSI (most of whom are women) will be declared ineligible if current Administration proposals are adopted. This would mean that they would also be unable to qualify for Medicaid.

3. Food stamps.—Proposed cuts in the Food Stamp Program would have an extremely serious effect on the elderly poor, of whom seven out of ten are women. Currently, 2.5 million elderly poor receive food stamp. The fiscal year 1983 budget calls for food stamp cuts totaling $2.8 billion. If adopted, 25 percent of all food stamps going to the elderly and disabled would be cut.

The specific proposals which affect the elderly include: raising rents for recipients if they also receive housing assistance; counting energy assistance as income in determining eligibility and benefits; dropping the $10 minimum benefit for one- and two-person households. (This last provision was adopted primarily to assist elderly persons.)

The adoption of these and other cuts in the Food Stamps Program would affect 92 percent of all elderly recipients; 26 percent would lose benefits entirely while 66 percent would have their benefits reduced. The food stamp households with elderly members who would be dropped from the program would lose an average of $14 per month or $168 in benefits per year. For those households who would have their benefits reduced, the average reduction would be $16 per month or $192 per year. For the elderly poor, these are significant losses. Many of America's elderly cannot now afford adequate food. Additional cuts in food stamps would simply exacerbate this problem and increase the number of older Americans who must go hungry.

4. OAA nutrition programs.—The Older Americans Act Nutrition Programs (Title III-C1 and C2) provide funds for congregate and home-delivered meals to older persons. Program funds are administered through a network of state and area agencies on aging and local service providers. The fiscal year 1983 budget calls for a $36 million cut in OAA nutrition programs. This cut, combined with program cuts in fiscal year 1982, will result in 36 million fewer congregate meals and 13 million fewer home-delivered meals than fiscal year 1981.

This is another example of how budget cuts are "penny wise and pound follish." Congregate meals and "meals on wheels" are, for many elderly persons, a key element in their ability to live independently. If they lost these services, some will have to be institutionalized at a much greater cost to the public.

5. Other health concerns.—There are a number of other implications for older women in the proposed fiscal year 1983 budget. Here are just a few examples.

Community Health Centers are covered under a block grant. Now the Administration wants to include in the same block grant: Black Lung Clinics, Migrant Health Centers and all Family Planning Programs. At the same time, total federal spending will be cut sharply (22 percent). Teenage girls, coal miners, older women and migrant workers will be forced to compete against one another for limited medical care funds and services. Community Health Centers, which served over a half-million women over 65, suffered a 30 percent cut last year. Another cut this year will cut the program's service capacity in half by next year.

D. Human resources

1. Housing.—For the second year in a row, the largest budget cuts in the entire federal budget are aimed at HUD programs. These proposals will have a severe impact on housing for the elderly, both immediately and in the future.

HUD administers three major rental housing programs for low-income persons: those that provide rental payments (section 8), loans for the construction of rental housing (section 202) and public housing. About half of public housing units and about 40 percent of all assisted units are occupied by the elderly, 75 percent headed by women.

The short-range budget proposals which would most affect the elderly if enacted are rent increases, new criteria for determining benefits and reduced operating subsidies to local housing authorities. All three add up to less for more.

Rent increases have been limited to 10 percent; the Administration wants to allow 20 percent increases;

Food stamps would be counted as income in determining rent; most of those affected would be older women alone because 85 percent of those who participate in both food stamps and housing programs are elderly and female-headed households;

Utility costs would be capped at 25 percent of income;

Reducing operating subsidies to local housing authorities to 30 percent below the minimum; this will result in faster building deterioration.

Over the long run, a more frightening proposal in stopping construction of subsidized housing, except for 202 housing for the elderly and handicapped, which is being cut 45 percent. Contracts for thousands of units, for which funds are available, would be canceled.

2. Energy assistance.—The Low Energy Assistance Program is intended to give financial help to persons who cannot meet rising energy costs. It is available to recipients of AFDC, SSI, food stamps and several other benefit programs with priority given to households with an aged or handicapped member.

The Administration proposes to reduce funding about 30 percent in fiscal year 1983. Some of the reductions come from counting the payments as income in calculating food stamp benefits, even though energy payments often go directly to suppliers and are not available for food. In 1981, about 40 percent of recipients were elderly. Many would lose food stamps in the winter when energy payments pushed income over food stamp limits—the "heat or eat" dilemma. This is an excellent, though deplorable, example of the compounding effects of various facets of the Reagan budget.

3. Older Americans Act services.—Besides the SCSEP and nutrition programs noted above, the Older Americans Act mandates senior centers and related supportive services vitally important to both mental and physical well-being of millions of aged Americans. These services include information and referral, counseling, nutrition, legal services and in-home services. Senior centers provide a space for many of these activities as well as enlivening social contacts many elderly want.

The Reagan budget cuts $25 million, or 10 percent, from these programs, without apparent justification. The reductions will affect transportation, in-home and other services that help the elderly remain self-sufficient—far less costly than institutionalization.

4. Social and community services.—Through the Social Service and Community Service block grants begun last year, a wide variety of community social services may be offered. Funding has been limited, however.

As was noted by critics at the time the legislation was under consideration, states are not required to report on services and clients, including age-specific information. This data on the impact of reductions in place for fiscal year 1982 or proposed for fiscal year 1983 are difficult to locate.

Most states spend 10 to 20 percent of their SSBG funds on older persons. Nearly all report a reduction or elimination of some services, particularly homemakers and chore services, adult day care and nutrition programs.

While some states were able to find supplementary funding to augment decreased funds in 1982, nearly all have now expended these alternative sources and the new cuts proposed for fiscal year 1983 will result in real reductions in services to the elderly.

Mr. **WYDEN**. Thank you very much, Nancie, for an excellent statement.

How many in the audience are still having problems hearing? We will do our best from our standpoint to speak into the microphones. If some would like to come a little closer, that will be fine and we will do our best to speak right into the microphone.

And I would only make one quick comment and we will ask some questions. This is an important hearing that has not been discussed by the House Committee of Aging and the chairman, Mr. Pepper, did ask specifically that Don Bonker and I look into this area, and I appreciate your taking the time as well and we will ask some questions when the witnesses are done.

Mr. Ham, just identify yourself.

STATEMENT OF ALAN HAM

Mr. **HAM**. Thank you. I am Alan Ham, a 38-year resident of Clark County in southwest Washington and a 6-year chairman of the Southwest Washington area on the Aging Counsel.

I would like to compliment both of you Congressmen for having this timely hearing about this important subject. I did attend the White House Conference on Aging and against my strenuous objections served on Committee No. 11 to older women. Housing is my area of expertise and I cross-stepped there but it was a valuable experience for me. I learned a lot of things. I have always liked the ladies. I came away from there even loving them better and I want to say there was much about the White House Conference on Aging that could be legitimately questioned.

In my own personal estimation, the greatest injustice was done by funneling people away from their own area of expertise to other committees so that much expert knowledge and experience could not be brought to bear during the deliberations.

But in spite of that, there emerged a clear pattern for the eighties for the elderly: Their anxiety over the social security, their practical recommendations centering around employment as it affects them, their recognition of the effectiveness and importance of home health care and in-home services, the very high priority they placed on the existing aging network.

And I want to say at this point that their agency concept is the most effective and cost-effective system for delivering services in my time.

They expressed dissatisfaction with the present workings of medicare and drew detailed plans and recommendations to improve it, while making it very plain they wanted no changes that resulted in lower levels of protection. High among their own ratings is the endorsement of the medicare reform package of 1981 which was H.R. 3827. Their defense of the present social security system is clearly seen and overwhelmingly supported.

The very late emergence of the recognition of the significance of crime is remarkable, and no less remarkable is the ranking of that concern when it was articulated. It is number 10 out of 664.

I find it very significant that those Madison Avenue recommendations that emerged for the first time at the Nation's Capital and did not come up through in the processes from the grassroots were thoroughly rejected and received the lowest rankings.

I also find personal satisfaction in the fact that while none of the recommendations of Committee No. 11, the concerns of older women, were ranked among the top 10, that when rating each committee the delegates and observers combined rated that committee the highest out of the 14.

I know I silently applauded them several times. Once when upon having a recommendation ruled "not germane," they immediately appealed the ruling of the chair, overturned her by 2 to 1, considered the recommendation, and passed it by about two-thirds majority. What gallant ladies.

The needs have been established, the route for the decade of the eighties has been charted by the people, many of whom will be making their last 10-year journey. I hope the Nation they have served so well doesn't let them down.

I have dedicated a little poem to the committee called "The Concerns of Older Women."

So I listen to the discourse and I thought along those lines.
And I said, "God bless the ladies, they are a product of our times."
That they have been here so long with us has surely been our gain,
Though some now are poor and lonely, they should not be left in pain.
They have made their sacrifices and their contributions, too.
They are not asking for a handout, only asking for what is due.
Even though there is in the asking something of the common touch, don't let it blur the marriage, "Enough is not too much."
They have raised and taught our children through depression and despair, through wars and through inflation and have finally brought us where,
In the decade of the 80's when it's time our bills to pay,
We must face the debt we owe them and there should be no delay.
If you think I'm overstating, it's because you're out of touch,
There is a debt that's due and owing and enough is not too much.

Mr. **Wyden**. Thank you for a really excellent statement.

I think all of our witnesses should match Mr. Ham's strong firm voice so, Ms. Reisinger, please proceed and identify yourself and we look forward to hearing your comments.

STATEMENT OF MARY REISINGER

Ms. **Reisinger**. Congressman Bonker and Congressman Wyden, I am a 20-year resident of Portland and a housewife, former nurse and mother of five children.

Two and a half years ago I was discovered to have cancer of the breast, had surgery for it and began what was to be 2 years of chemotherapy, went back to work 2 months later. That fall I had a stroke, again went back to work 2 months later.

In the spring of 1981, I developed seizures. In May of 1981 I had to stop work. In January of this year I developed grand mal seizures. In March sometime, one of my friends said, "Look, what are you going to do about security or help?" because I hadn't thought of anything.

So I called the social security office. The one in Portland seems to have all very gracious and helpful people in it and they helped me fill out a request for disability. I had a physical by a social security doctor who told me, one, I needed therapy, and, two, suggested that I had had a couple of bad years but I really should get on with my life.

After that, I received a letter of denial. I would like to read the explanation of determination to you:

> The following reports were used to decide your claim—

Report from Kaiser Permanente and I won't mention the doctor's name—

> Report of consultative examination received in the agency.
>
> You said that you can't work because of breast cancer, stroke and seizures. Medical evidence in your file shows that you had a nonmalignant tumor of the breast which is not cancerous so therefore this condition is not serious enough to keep you from working.
>
> The medical evidence also shows that you did have a stroke in '81 and had seizures as a result. However, they are now well controlled in the medication and are not considered serious enough to keep you from doing your usual work as a nurse. Since you still have the ability to work in the nursing field, you are not found disabled.

Other than the fact that they were wrong, I showed this letter to my doctor who wrote them a letter and sent them the pathological reports, received an apology, asked for reconsideration and received much the same letter from them.

I think that speaks for itself, except that I would like to say that they do not have to put us down. We are down.

Mr. **Wyden**. Thank you very much. I will have some questions and I know my colleague will have some as well, of you and the other witnesses.

Ms. Thacker, why don't you pull those microphones over and fire away.

STATEMENT OF PAT THACKER

Ms. **Thacker**. Can you hear me? My name is Pat Thacker and I am an employee of the Senior Services Division with the Department of Human Resources in Salem.

Unfortunately, I don't have current 1980 census data but I am going to give you some facts that will show you the status of women in 1970, and I am sure they have not gotten any better since that time.

According to a 1970 census data in Oregon the median income for women in the 60-plus age group was $1,537 annually. For men in that same age group that median income was $2,237. The average income for all women in the same age group was $2,237, while for men the average was $4,379. That is a substantial difference. Could you have lived on $186.42 a month or $128 per month in 1970?

Currently, according to U.S. Department of Labor poverty guidelines, a person with an average income of less than $4,680 is considered to be living in poverty. Even that is only $390 a month. It certainly will be interesting to see how many of our elderly women in Oregon have incomes of less than $4,680 when the 1980 census data becomes available.

According to a 1975 report of the U.S. Bureau of Census, there were 253,000 women in Oregon over 55 years of age and only 209,000 of those women had incomes. Of those 209,000 women, only 132,000 had incomes of less than $4,000 per year. There were also 44,000 women without any source of income according to that data.

Income measures are important factors in determining the extent of need of the older population. The lack of adequate income is a crucial factor in understanding the transportation, housing, nutrition, and health care problems affecting the elderly.

The fixed nature of retirement income makes it impossible for great changes in income levels to occur. The cost of living increases and the social security benefits merely tend to keep pace with the increases in the cost of living and inflation.

Again, according to a 1970 census data for Oregon, approximately 42 percent of women over 60 were widowed, while only 11 percent of men in that same age group were widowed. Approximately 33 percent of women over 60 lived alone compared to only 15 percent of men over 60. Older persons living alone have a higher probability of need with only one source of income and no companion to call upon. Three-fourths of all single individuals are women. And since retirement benefits for women are considerably lower than benefits for men, this group, women over 60 years of age, tends to suffer more from social and economic deprivation.

Federal budget cuts have been severely felt by all the area agencies on aging, not just in Oregon, but across the Nation. Since 1981, Oregon alone has experienced over a $930,000 reduction in available resources for social services and providing meals to the low-income elderly. Approximately 70 percent of those persons served by those agencies are women over 60.

Another potential funding reduction of title V of the Older Americans Act, the senior community service employment program, also would have a definite effect on women in Oregon. Approximately 70 percent of those persons served by title V in Oregon are women all over the age of 55 and approximately 85 percent of those have incomes below the poverty level. Another interesting fact about title V is that 30 percent of all those title V people have no source of income except for their title V earnings. Nearly 50 percent of the title V enrollees provide services to other elderly Oregonians. The loss of this program will also have a definite impact on the services provided.

Thank you very much.

Mr. **Wyden**. Thank you very much.

Ms. Bader, it is very nice to have you and the expertise that you brought to the Gerontology Center to share some of your concerns with this area, so please proceed.

STATEMENT OF JEAN BADER

Ms. **Bader**. My name is Jean Bader and I reside at 2911 Applewood Lane, Eugene, Oreg.

I appreciate the opportunity to speak before you on a topic that is close to my heart as a daughter, a taxpayer, a future old person, a member of the Older Women's League, and as director of the Center for Gerontology at the University of Oregon, Eugene.

The administration's budget and the administration's subsequent support for a balanced budget and for all sorts of cuts affecting older Americans contradicts the President's inaugural address in which he said that, "All of us together must bear the burden. The solution we seek must be equitable with no one group singled out to pay a higher price." The President might have added "except those least able to afford it."

To quote from page 82 of the 1980 report of the Subcommittee on Human Services of the Select Committee on Aging of the U.S. House of Representatives, on which both of the distinguished Congressmen before us sit:

> Senior women have been virtually invisible in aging statistics, theories and social programs. Robert Butler, the Director of the National Institute on Aging, has attributed this to the compounding effect of ageism and sexism and points out that even the Women's Liberation Movement has all but ignored older women. We cannot support the view that growing old is more of a tragedy for men than it is for women. As we rethink human services to tomorrow's seniors, we must continually be mindful that the majority of that population will indeed be women. Our human services, then, will have to be tailored to the realities of tomorrow's senior and elder population. That reality is heavily female; women outlive men, women have been excluded from well-paid jobs, and women have little Social Security or pension relief. These demographic and economic issues force senior women, especialy minorities, onto the lowest rung of America's socioeconomic ladder.

Your committee reported, and I don't think anyone can say it better, old people are losing ground daily. This hearing will document how. Examples include no new designed housing for low-income elderly; universally reduced food stamp benefits and further cuts for those who receive energy assistance at a time when many middle-class older people are being forced to choose between energy costs and health care; social security cuts and the suggestion that workers not be eligible for social security until age 68 and 70.

Will there be a backup for those who, for health reasons, can no longer work? And what about those who are not entitled on the basis of their own earnings record to receive social security, because homemaking doesn't count? Will they also have to wait 3 or 5 more years in order to become eligible to receive half of their husband's benefit? This is not what their husbands intended. But then, how many husbands expected to die as young as they often do?

You have before you a chart describing the various roles of middle aged and older women. Each role is tied to the current provisions of social security. I urge particular attention to the role of the widow. The majority of older women are widows.

Mr. Reagan told us recently that families must increase their share of care for grandparents and great-grandparents, increase their share from 80 percent of the total care now provided to older women and older men in their own homes. Who will be forced to stay home? Women. And yet, in order to supplement family incomes or as heads of household, many women must seek paid employment. Women are already competing with one another for the few available lowest paying jobs and there are fewer jobs to compete for each day.

Many retirees support the President's economic views. Why? In fact, about 55 percent of retirees voted for him in 1980. Why? Why did they support the President's economic views? Probably not because a few among them are financially well off. Probably not because they are any more or less informed than others. One reason many support administration economic policies is likely to be that they support the Office of the President. They are committed for the most part to the democratic process, and, therefore, to the Office of the President, no matter who holds that position. Among the foreign born, it is loyal to their Nation of choice. For all, it is an old friend who holds the Office of President, someone they have grown up knowing.

Another reason some elders endorse Reaganomics is that they are members of a generation, a cohort, that is committed to self-sacrifice for the sake of others and to self-sufficiency for themselves as individuals. Whether intentionally or not, Mr. Reagan implies that affectionate feelings for him, the man, should transfer to faith in his economic policies. The difference is that he can afford to sacrifice a great deal before feeling as pinched as the great majority of people his age already are. The kind old postman in the Republican National Committee's advertisement that says that Mr. Reagan has kept his promise not to cut social security is lying. The only reason social security hasn't been cut sooner and more drastically is that Congressmen like Congressmen Bonker and Wyden would not allow it.

The third reason some older people support Reaganomics is that they grew up believing the bad jokes, negative attitudes, and stereotypes about those who were old when they themselves were young. Not only did they believe those images, they became them. Every bit of evidence that we have at this time, and the question has been asked often, points to their devaluation of themselves not as individuals but simply because they are old. That tells me that their image of old age is dreadfully negative, not that they are so personally well off.

In 1978, when the Age of Discrimination in Employment Act was amended to raise the mandatory retirement age from 65 to 70, there were some older people who opposed the amendments on the grounds that they would rather see young people have job opportunities. Their jobs would never be offered to young people. This is self-effacement, guilt about living long.

Thank goodness some older persons are beginning to feel good about themselves, to plan creatively and optimistically for long life, and to provide more positive role models of old age than their parents' generation provided for them.

I do not argue that older people and aging programs are or should be sacred. I do argue that Reaganomics are asking more than a fair share from older Americans and that many older Americans, particularly older women, can't bear any more of Mr. Regan's "burden." If they could, they probably would have volunteered to do so long since. That is one of the characteristics of the current cohort of older Americans that is likely to change with future generations of older Americans.

I submit for the record the preface to an analysis of the administration's budget by the Leadership Council on Aging Organizations, Women's Equity Action League [WEAL], fact sheets on social security and women, and on pension policies affecting women, and a November 1981 description of the Economic Equity Act sponsored by Oregon Senators Packwood and Hatfield, with Durenberger of Minnesota, and in the House by Schroeder of Colorado and Heckler of Massachusetts. Unfortunately this bill, that would go far to bring into public view some of the inequities faced by women, especially homemakers and older women, sits quietly in committees. It is time to move S. 888 and H.R. 3117 forward for elderly support for Ronald Reagan and his economic policies.

[The material submitted by Ms. Bader follows:]

THE ADMINISTRATION'S 1983 BUDGET: A CRITICAL VIEW FROM AN AGING PERSPECTIVE

INTRODUCTION

"Now you're hearing all kinds of horror stories about the people that are going to be thrown out in the snow to hunger and die of cold and so forth . . . We haven't cut a single budget . . . We have been reducing the rate of increase that has been built in and that has been submitted to us for consideration in these budgets."—President Reagan, Bloomington, MN, February 8, 1982.

When the Leadership Council of Aging Organizations decided to undertake this analysis of selected elements of the Administration's budget proposal for Fiscal Year 1983, it was prepared to be disappointed. The budget was, after all, being proposed in the context of a faltering national economy, with massive tax cuts already enacted and massive increases in defense spending at the center of the Administration's policies.

The Leadership Council was not prepared, however, for the stunning impact of the cuts that, taken together, this proposed budget would visit on older persons, particularly the most vulnerable older persons.

In preparing this document the LCAO looked at sixteen (16) specific programs providing services on benefits to the elderly. Of these, more than half are slated for budget cuts below fiscal year 1982 levels, and in many cases, below fiscal year 1981 levels. It has been said publicly, many times, that cuts are proposed only in projected increases—not in current funding levels. This is simply not true. We feel the elderly, who are least able to replace federal assistance through employment and other means, are being asked to accept an intolerable burden.

As advocates for older people, we focus on the impact of the budget proposals on them. Yet we recognize too well that other disadvantaged groups would suffer severe adverse impact from many of the cuts proposed.

In many cases the same program cuts affect all age groups, e.g., social services block grants and legal services. In others, although some older persons may be harmed, the brunt of the damage falls on the younger shoulders, as in the proposals to slash Aid to Families with Dependent Children.

Over the past several decades, significant legislation has been enacted that, taken together, constitutes the beginning of a national aging policy. In enacting programs such as the Social Security Act of 1935, Older Americans Act of 1965, Medicare, and many others, the Administration(s) and the Congress were reflecting the national conscience. Together their actions represented an increased awareness of public concern for older Americans and a commitment to their well being. Now these advances in aging policy are severely threatened. After careful and thoughful analysis, we regretfully find that the Administration's fiscal year 1983 budget recommendations are regressive and dangerous to older people, now and in the future.

"All of us . . . together must bear the burden. The solution we seek must be equitable with no one group singled out to pay a higher price."—Inaugural Address, President Reagan, January 20, 1981.

In 1984, about 26 million aged and 3 million disabled individuals will be covered under Medicare. Medicare recipients already pay approximately 43 percent of total health costs out of their own pockets. The fiscal year 1983 budget includes a number of provisions that will increase out-of-pocket costs to recipients, including the imposition for the first time of a five percent copayment for Medicare home health visits, and the indexing of Medicare Part B premiums to reflect inflation. Copayments would be required for all Medicaid recipients for the first time. The $1 or $2 charge for a service sounds nominal, but it will surely keep hundreds of thousands of poor older persons from seeking the medical aid they need.

Also included among the proposed cuts in Medicaid is one that would allow states to place liens on nursing home residents' assets.

"We want the elderly needy . . . to know that they have a government and a citizenry that cares about them and will protect them. Their basic human needs must be met with compassion as well as efficiency."—President Reagan, White House Conference on Aging, December 1, 1981.

The most basic human need for food. Yet the Administration's fiscal year 1983 budget employs some ingenious methods of cutting the food stamp program to a level $4.7 billion below what 1981 provisions would have yielded. Elderly recipients receive less than 6 percent of food stamp dollars, but they will be hard hit. Changes in figuring "benefit reduction rates" will cut all recipients by 5 percent across the board. The $10 minimum benefit currently received by 500,000 households, the majority of whom are older women on minimal incomes, will be eliminated. Tied to food stamp eligibility is the intention to count energy assistance as household income. Approximately 40 percent of those receiving energy assistance are elderly. For some older people the choice will be between eating and keeping warm. In some instances, the change in eligibility will deny them assistance with either of these basic needs.

"We will continue to redirect our resources to our two budget priorities . . . a strong national defense to keep America free and at peace, and a reliable safety net of social programs for those who have contributed and those who are in need."—President Reagan, State of the Union Address, January 26, 1982.

To be eligible for Supplemental Security Income (SSI) is to be living on a marginal income. Among the many cuts suggested for the SSD program is one that punishes SSI recipients for errors made by the administering government agency. If a recipient receives an overpayment in SSI, the full amount could be withheld from the person's next Social Seceurity check! The administration also wants to hire private bill collectors to recover overpayments from both SSI and Social Security recipients.

"Don't be fooled by those who proclaim that spending cuts will deprive the elderly, the needy and the helpless."—President Reagan, State of the Union Address, January 26, 1982.

It is drastic enough that $23 billion, or 37 percent of all proposed cuts, come from low income housing. There will be virtually no new construction or additional subsidies made available. Those who live in subsidized housing are the elderly, the needy, and the handicapped. People not already living in subsidized housing will have little or no opportunity to do so in the future, especially since the administration is asking for a recission of fiscal year 1982 appropriations as well. But for those fortunate enough to reside in subsidized housing already, there is parallel bad news. Over 40 percent of all households served by HUD are elderly and, as evidenced by their very eligibility, have limited incomes. Yet it is proposed that they (1) pay a higher percentage of their income in rent, (2) declare the value of food stamps as income, (3) pay their own utility bills, and (4) use a standard deduction, instead of actual costs, as an income adjustment. If enacted, these proposals will severely deprive the elderly, the needy, and the handicapped.

"Our administration has also supported reauthorization of the Older Americans Act . . . We're also working in improvements to the program that will make it an even more effective means of strengthening the dignity and independence of the elderly."—President Reagan, White House Conference on Aging, December 1, 1981.

At the White House Conference on Aging last December, President Reagan seemed to leave little doubt about his commitment to AoA and its programs. In actual fact, the future of the Administration on Aging and the network of state and area agencies on aging is being weakened.

The Administration's fiscal year 1983 budget contains cuts of approximately 12 percent in each major line item in the OAA from 1981 levels. Meals, in-home services, transportation and other vital services, even now reaching only a portion of those who need them, will be cut further. The Senior Community Service Employment Program (SCSEP), title V of the Act, would be eliminated altogether in the budget. The consequences of this are so serious that the title V program is addressed as a separate section of this paper.

"America's elderly are a wise and a very precious resource and we should always honor them and never set them aside."—President Reagan, National Religious Broadcasters Convention, February 9, 1982.

At the beginning of 1981, more than 25 mission persons aged 65 and over made up over 11 percent of the total population. The income of older Americans is about half of that of the under-65 population. According to recent polls, including the NCOA/Harris Survey concluded in conjunction with the White House Conference on Aging, millions of these people need and want to work. Older people with good health, good skills, and a network of social and professional contacts are often able to find employment which satisfies their needs in retirement. But others are not so fortunate. Their financial need is greater, but their job skills, access, and confidence is often limited. Thousands of older persons have supplemented their incomes, learned new job skills, and contributed to their communities through employment programs of the Comprehensive Employment and Training Act (CETA) and the Senior Community Service Employment Program (SCSEP), title V of the Older Americans Act. Of the 54,200 jobs for low-income elderly funded by this program, two-thirds have been filled by women. Minorities hold one-third of the slots.

"As a candidate in 1980 I pledged that I would do my utmost to restore the integrity of social security and do so without penalty to those dependent on that program. I have honored that pledge and will continue to do so. We cannot and we will not betray people entitled to social security benefits."—President Reagan, Announcing the Establishment of the National Commission on Social Security Reform, December 16, 1981.

The Administration has "exempted" the Social Security Program from further cuts while awaiting the report of its Commission on Social Security Reform. Yet by proposing a budget with a projected deficit in excess of $100 billion, the Administration has provoked a firestorm of criticism in Congress. Almost every alternative budget offered at this writing includes a cutback in social security benefits.

We are extremely concerned that fiscal year 1983 budget recommendations not become a bargaining point with those who favor the elimination of cost of living adjustments (COLA). The amount of the COLA would not be sufficient to offset benefit losses to the elderly poor proposed in the fiscal year 1983 budget. The Leadership Council of Aging Organizations opposes the elimination of or cutbacks in COLA.

CONCLUSION

The Leadership Council is aware of the problems our economy is experiencing. Older people suffer from inflation, and want to see it end. But older people cannot afford to enlist as shock troops in the war against inflation. Unemployment is rising steadily, creating further strains on the Federal Budget and the Social Security System. The social programs proposed for slashing by the Administration are indeed a safety net, though a loosely woven one.

Moreover, the budget hurts young people as well as older people, the working poor as well as the retired, the low-income mother as well as the low-income grandmother.

This budget cannot fail to be divisive. It would pit young against old, rural against urban, middle class against poor. Coupled with last year's cuts, the ones proposed for 1983 would devastate millions of vulnerable people of all ages. Squabbling over scarce crumbs is a game that those of us concerned about the elderly will not play.

The Leadership Council of Aging Organizations believes that, even in times of economic distress, the United States retains its responsibility toward its more vulnerable members.

The Leadership Council will work with other groups and individuals to restore some semblance of the long-since shredded "safety net" for all vulnerable Americans.

If the budget of the Federal Government is to reflect the concerns of its citizens, we cannot speak only of deficits and defense, of cheating in social programs and charity to replace them. National goals—including a decent level of services, income and opportunity for our older citizens—must be pursued at the national level.

We call on the Administration to rethink its proposals. We call on Congress to reject them as originally proferred, and to seek alternatives that recognize the human suffering that would surely accompany further cuts or freezes in social programs.

How Much Do You Know About Women and Social Security?

TRUE OR FALSE

Most married women who work outside the home and pay Social Security taxes receive no greater protection in their retirement years than if they had remained at home and not worked for pay.

True. Because women work at jobs that pay less and often must interrupt their work years due to family responsibilities, some women earn a worker's benefit which is less than half the benefit earned by their husbands. This means that instead of a worker's benefits, they receive a spouse's benefit—an amount they would have received even if they had never worked outside the home.

A divorced homemaker reaches age 62. She receives a spouse's benefit of up to half of her ex-husband's Social Security benefit.

False. This is true only if her marriage lasted ten years or more and her husband has retired. As long as he continues working, she cannot collect her husband's benefit regardless of her age. Even when she does become eligible, the amount she receives is at most a third of what the couple would have lived on if the marriage had continued. This amount if often not adequate to support a divorced homemaker living alone.

A homemaker is widowed. She is entitled to a Social Security benefit at the time of her husband's death.

False. A widowed homemaker receives no benefits unless she is 60 years old, or 50 and disabled, or is caring for children under 16 years old. (The period between the time a widow's children reach 16 and she reaches age 60 is known as the "widow's gap.") In addition, only when she reaches age 65, does a widow receive a full, unreduced benefit.

A woman is out of the paid work force for more than 5 years to serve society and her family as a homemaker. Zeroes are averaged into the computation of her Social Security benefits.

True. This, in effect, economically penalizes women for being homemakers, even though this role is strongly encouraged by society, and is one reason why women receive such meager benefits.

A homemaker becomes disabled or dies. Her family receives no Social Security benefits in recognition of the monetary value of homemaking and child care services—which are costly to replace.

True. Because homemakers are unpaid workers in the home, no taxes are paid into the system on their behalf. The result is that the families of homemakers who are disabled or die are not entitled to Social Security benefits.

A one-earner couple has the same total average earnings as a two-earner couple. The one-earner couple will ultimately receive a larger retirement check.

True. Benefits of the one-earner couple include the addition of a spouse's benefit of up to 50 percent of the wage-earner's benefit.

A person, to be eligible for disability benefits, must have worked in Social Security-covered employment for five out of the most recent 10 years. This requirement hurts women more than men.

True. Women, more than men, leave the work force for five or more years to assume homemaking responsibilities. Upon their return to the work force they are no longer covered for disability under Social Security.

To date, much consideration has been given to the status of women under the Social Security system.

True. Many hearings, forums, and special reports have examined the problems addressed in this quiz. These include the following:

White House Conference on Families, 1980

White House Mini-Conference on Older Women, 1980

White House Conference on Aging, 1981

Treatment of Women Under Social Security:

Volume I ($5.50) #052-070-05249;

Volume II ($7.00) #052-070-05250-3. Available from the U.S. Government Printing Office, Superintendent of Documents, Washington, DC 20402;

Volume IV. Available from the Senate Select Committee on Aging or the Office of Rep. Mary Rose Oakar.

Social Security and the Changing Roles of Men and Women: Available only from the Social Security Administration in Baltimore, Maryland. Call (301) 594-7700 for information.

Social Security Financing and Benefits: Report of the 1979 Advisory Council. Department of Health and Human Services. Out of print.

Social Security in America's Future: Final report of the National Commission on Social Security, March, 1981. Available in limited quantities from WEAL. Send $2.00 for postage and handling.

Coming of Age: Toward a National Retirement Income Policy: Publication of the President's Commission on Pension Policy. ($6.50) #040-000-00450-5. Available from U.S. Government Printing Office, Superintendent of Documents, Washington, DC 20402.

Most proposals for reform have included the concept of earnings sharing in recognition that each spouse is an equal partner in marriage and each—whether a worker in paid employment or an unpaid homemaker—should have equal credit for total family earnings.

WEAL continues to monitor the status of women under the Social Security system and follows closely the deliberations of President Reagan's 15-member National Commission on Social Security Reform.

Benefit category	Spouse's insured status	Files claim	Marital status	Age	Child in her care	Own or other insured status
Wife	Husband has to be entitled to retirement insurance benefits.	Files application for benefits	Legal spouse or spouse under a deemed marriage provision.	62 plus	If not yet 62, has a child in her care who is entitled to child's insurance benefits or spouse's record and who is not yet 16 or has child 18 or older eligible for benefits as adult child disabled before 18.	Not entitled to a retirement or disability insurance benefit based on a primary insurance amount (PIA) which equals or exceeds half of the PIA of the wage earner (W/E).
Divorced wife	Wage earner [W/E] entitled to retirement insurance benefit [RIB] or disability insurance benefit [DIB].	Files application for benefits	Finally divorced from W/E after marriage of at least 10 years and is not presently married.	62 plus		Not entitled to a RIB or DIB based on a PIA which equals or exceeds half of the PIA of the W/E.
Mother (has a young child or disabled adult W/E in her care).	Deceased W/E died fully or currently insured.	Files a claim for mother's benefits unless entitled to wife's benefits month before W/E dies or has already entitled child in her care.	Not married		Has in her care child of deceased W/E entitled to child's insurance benefit who is under 16 or disabled before 18. Child continues to be eligible till 18; mother's benefits stop at 16.	Not entitled to widow's insurance benefits; not entitled to a RIB equal to or exceeding the amount of the unadjusted mother's benefit.
Surviving divorced mother	Deceased W/E fully or currently insured.	Files a claim for mother's benefits unless entitled to wife's benefits in month before month D/W/E dies.	Finally divorced from D/W/E before death and not married.		Has in her care her natural or legally adopted child who is entitled to child's benefits on the D/W/E's earnings record.	Not entitled to a RIB equal to or exceeding the amount of the unadjusted mother's benefit after any increase in the minimum sole survivor benefit.
Widow (may apply under her own credits at 62 and then reapply for widow's benefits at 100 percent of husband's PIA when she reaches 65).	Be widow of a D/W/E who died fully or transitionally insured.	Files a claim for widow's benefits.	Be unmarried unless she married after attaining age 60 (for benefits to be paid after 9/65).	Attained age 60; or 72 before 1969 if transitionally insured W/E; or attained 50 but not 60 and be disabled.		Not be entitled to a RIB which equals or exceeds the deceased W/E's primary insurance amount.

Surviving divorced wife	Is the surviving divorced wife of a D/W/E who dies fully insured.	Files claim for surviving divorced wife's benefits.	Finally divorced from the deceased W/E and was validly married to him for 10 years immediately before date final divorce became effective; is not now married.	60 plus or 50 but not 60 and is under a disability.		Not entitled to a RIB which equals or exceeds the deceased wage earner's primary insurance amount.
Wage earner retirement insurance benefit (W/E RIB).	Fully insured	Files claim	If married, her PIA must exceed 50 percent of husband's PIA.	62 plus		Must have insured status on own account.
Wage earner disabled (W/E DIB) NB: husband's or father's benefits in case of deceased disabled W/E become same as for wife and mother in case of deceased male W/E.	Insured status: Over age 31, must meet 20/40 (i.e., must have worked equivalent of 20 quarters out of 40 quarters immediately preceding disability between ages 24 and 31, if disabled, must have worked for half quarters between age 21 and 30. If under age 21, must have worked 7 quarters out of 13 preceding disability.	Files claim		See "insured status"		Social Security Administration can pay a lump sum death benefit of $255.
Medicare eligible	Spouse of insured W/E or W/E or have drawn disability benefits for minimum of 24 months, not necessarily consecutively.	At 65, if not in benefit status, an application for medicare must be filed. Part A (hospital) covers all at no premium. Part B (medical) is optional ($12.20/month in 1982).		65 plus		If 65 and spouse is entitled, she is eligible for medicare. If 65 and not entitled in own account and husband is younger W/E, he must apply in order to entitle her.

Source: Eugene Social Security District Office (Alberta Canada & Ben Taitel).
Prepared for: Center for Gerontology, University of Oregon, Eugene, Oreg.

According to Louis Harris and Associates ([212] 975-1600), individuals sixty-five and over believe Mr. Reagan is doing an excellent (13 percent) or pretty good (29 percent) job. 56 percent rate his job performance as "only fair" or "poor," and 2 percent are not sure. (August 16, 1982)

Asked how they would rate how well Mr. Reagan is handling the economy, 5 percent say "excellent," 30 percent say "pretty good," 30 percent say "only fair" and 33 percent say "poor." Two percent are not sure. (August 16, 1982)

Mr. Harris is currently predicting that older Americans support for the Republican leadership now in place will ebb. His analysis of the following data suggests that the population over sixty five years of age believes that the country is in a slump—and they clearly remember the Great Depression. He notes that the kindly-old-postman-ad that the Republican National Committee sponsored was released just (8/1) as the Social Security checks with the increases mandated by Congress were mailed. Note the parallel increase in support for the Republican leadership from June to early August.

Asked which candidate they would vote for if the 1982 election for Congress were held today, the sixty-five or older respondents answerd as follows:

	May 1982	June 1982	August 1982
Republican	43	39	53
Democrat	45	46	40
Other	2	1	3
Not sure	10	14	4

Source: Louis Harris and Associates, August 31, 1982.

WOMEN'S EQUITY ACTION LEAGUE FACT SHEET

SOCIAL SECURITY AND WOMEN: "PROMISED SOLUTIONS—BROKEN TRUST"

"The Administration's proposals to reduce Social Security benefits will prove to be catastrophic for women. . . . The fact is that the Social Security System in its present form discriminates against women. The falsehood is that the current Administration, who publicly recognized that women were short-changed in Social Security and promised solutions, now proposes to further cut benefits. This constitutes a broken trust to our nation's workers and families, especially women."—Mary Rose Oakar (D-Ohio).

Forty years after its enactment, Social Security is passing through a midlife crisis. Our society has changed and the Social Security System has not adapted to reflect these changes. The facts are: that the present system discriminates against women; that inequities and inadequacies of the program are borne disproportionately by women; and, that reform must encompass the needs of today's as well as tomorrow's world.

The lower Social Security benefits that women currently receive reflect women's traditional role and employment patterns in American society: low-wage jobs; lack of pension benefits in predominately female occupations; and, sporadic work histories due to family responsibilities. The Reagan Administration's proposals highlight the disparity between the great value that is supposedly attached to the traditional role of women and the economic penalties faced by women who choose that role.

In 1979, the House of Representatives' Task Force on Social Security and Women identified existing inequities and inadequacies in the system.

Women who serve their society and their families as homemakers receive a zero on their earnings record for every year over 5 they do not work for pay.

A female spouse may be entitled to benefits based on her own work record. If the amount she would receive as a dependent is greater, she will receive only the greater amount. Her benefit is no greater than the benefit she would have received had she never worked outside the home and never contributed to the system.

A widow will receive full benefits from her spouse's or former spouse's earnings only if she waits to age 65 to claim them.

A widow is entitled to benefits before the age of 60 only if she is disabled or has children under 18 years who are entitled to benefits.

A homemaker who becomes disabled is not eligible for benefits even though she may not be able to perform her job.

A woman will not receive disability benefits if she has left the work force for more than five years.

Two-income couples may receive less from Social Security than couples in which one spouse works and receives the same annual earnings.

A divorced woman is eligible for a maximum of 50 percent of her former spouse's Social Security benefit, but only if her marriage lasted at least 10 years and only when her former spouse retires or becomes disabled. Even then, her benefit is not sufficient to support a separate household.

In an effort to eliminate "welfare aspects" of Social Security and balance the 1982 budget, President Reagan proposed significant changes in the Social Security System. He failed to address existing inequities and inadequacies and, in fact, included proposals that were punitive in their impact on women.

The Administration proposed reduced benefits for early retirees in order to discourage early retirement. The majority of early retirees must retire due to poor health or employment problems. Women, as workers or dependents, already receiving low benefits, would be especially affected by further reductions in early retirement benefits.

The Administration proposed to increase the number of years on which a worker's age 65 benefit is computed. The effect would be to reduce the number of years of low or no earnings that can be dropped in the computation of benefits. This proposal has particularly negative impact on women who would be more likely to have zeros already averaged into records for childcare years.

The Administration proposed that individuals work in covered employment for 7.5 years out of the last 10 instead of 5 out of 10. Women who leave covered employment for family responsibilities for even a brief time would be negatively affected.

Congress modified the President's proposals but did approve an unprecedented series of reductions in benefits for current and future workers, retirees, and dependents. The reductions in Social Security benefits will most harshly affect older Americans—59 percent of whom are women. That older women are the poorest segment of American society makes the impact of the reductions devastating. Several reductions are particularly significant for women.

Elimination of the minimum benefit—a $122 minimum monthly payment which saves many aged from poverty. Almost 90 percent of the current 3 million beneficiaries are women. With the elimination of this benefit in March 1982 for current recipients almost 800,000 of these beneficiaries may have no alternative source of income. If eligible, almost 1 million current recipients could resort to Supplemental Security Income to compensate for the loss of the minimum benefit. However, SSI has strict income (maximum $3100 per year) and asset tests.

Phase-out of student benefits for all students who enroll in post-secondary programs after the 1981-82 school year. Current beneficiaries and students who enroll during the 1981-82 school year will receive payments for only 8 months; all summer payments will be eliminated in 1982. Student benefits will be reduced over a four year period with total elimination by September 1985. Cost-of-living adjustments for post-secondary students will cease after July 1981. WEAL projects that the burden of the changes will be borne by widowed mothers between the ages of 40 and 60.

Termination of mother's and father's benefits ends entitlement for a parent caring for a child who receives child's benefits when the child reaches age 16. This provision goes into effect over the next two years. Benefits to the children in a family will continue under the new student provisions. This provision does not apply to parents caring for disabled children over the age of 16.

WEAL recognizes that the Social Security System needs reform. WEAL questions the necessity of cutting benefits to achieve reform. The new reductions exacerbate the financial inadequacies that exist and do nothing to correct existing inequities. The reductions may destroy the "safety net" for the poorest of the poor—older women.

PENSION REFORM RETIREMENT SECURITY FOR WOMEN

As women approach old age, whether they have been employed in the labor force or dependent on a spouse for economic security, they will face any number of problems. Most of them will be alone, and many will be left with severely reduced economic resources:

51 percent of America's population are women.

59 percent (13,627,000) of the population over 65 are women.

27 percent (3,729,000) of women over 65 live below or near the poverty level.

85 percent of all single persons over 65 who live below the poverty level are women (Source: Current Population Reports, Series P-60 No. 124, July 1980).

Discrimination in pension coverage for women has contributed to this problem:
49 percent of men have private pension coverage on their longest-held job.
21 percent of women have had private pension coverage on their longest-held job.
35 percent of men actually receive these benefits.
13 percent of women actually receive these benefits (Source: President's Commission on Pension Policy, October 1980).

Private pension vesting schedules ignore women's working patterns. Vesting schedules govern the number of years an employee must work before s/he begins to accrue pension benefits. Under most plans, an employee can vest after 10 years.

The median number of years all men have held their jobs is 4.6.
The median number of years all women have held their jobs is 2.8.
The median number of years men ages 45-54 hold one job is 11.5.
The median number of years women ages 45-54 hold one job is 5.9 (Source: Dept. of Labor, Special Labor Force Report No. 172, 1973).

To participate in most pension plans an employee must be at least 25 and have had one year of service. Pension plans do not include part-time workers.

74 percent of the women between 18 and 24 are in the work force.

Over 47 percent of all working women over 20 work part-time (Source: Dept. of Labor, Women's Bureau, 1975 Handbook on the Woman Worker).

Private pension plans discriminate against most working women: Most working women are rank and file employees and have unique and irregular working patterns. Most women do not meet private plan participation requirements. The Employment Retirement Security Act of 1974 (ERISA), thought to be a major step towards pension reform, does not insure that women will receive adequate coverage.

Private pension plans discriminate against most homemakers and spouses: Marriage is an economic partnership. Women who choose to be homemakers should be entitled to retirement security based on their husbands' career. It is for this reason that Social Security provides for divorced and widowed homemakers. Yet, Social Security payments are not sufficient. Although ERISA requires that some plans provide joint and survivors' annuities, coverage is not adequate:

The joint and survivor annuity option is not mandatory.
A widow will receive only half of the benefits her husband received.
A widow will receive no benefits if the pensioner dies before retirement age.
Pension benefits are not always included in divorce property settlements.

Government pension policy is unfair to spouses: Government pensions do not provide equitable coverage for widows and divorced women. Under current law, these women lose their rights to survivors' benefits if they re-marry. Recent legislation protects widows and divorced spouses of Foreign Service officers, but the Armed Service and Civil Service plans perpetuate this unfair treatment.

What you can do:

Investigate your own pension benefits at your current place of employment. Will you receive adequate retirement security?

Impress your employer with the importance of retirement security for all employees.

If you are dependent on your spouse's retirement security, make sure his or her plan will provide for you.

Express your support for pension reform to your elected officials.

For more information and analysis of current legislation, contact Pat Reuss, WEAL Legislative Director.

ECONOMIC EQUITY ACT S. 888 AND H.R. 3117

Twenty-four Senators, under the leadership of Dave Durenberger (R-MN), Robert Packwood (R-OR) and Mark Hatfield (R-OR), are sponsors of a package of legislation whose aim is to begin the job of eliminating the economic inequities facing American women. Women's and civil rights groups played a key role in developing this bipartisan package.

On the House side, Pat Schroeder (D-CO) and Margaret Heckler (R-MA), cochairs of the Congresswomen's Caucus, introduced separately, but all are part of the EEA.

No activity as yet:

Private pension reform.—Introduced separately: H.R. 1641 (Ferraro, D-NY); Amends ERISA to lower pension plan participation age from 25 to 21; requires survivor's benefits if worker has put in 10 years but dies before retiring; requires written consent of *both* spouses before waiving survivor's benefits; eliminates the 2-yr. waiting period between electing and receiving survivor's benefits; gives a parent pension credits for up to 1 yr.'s leave of absence for child rearing if they return to same company; permits pension plans to pay a share of pension benefits to an ex-wife if court-ordered.

Heads of households.—Would permit single heads of households to use the $3,400 zero bracket amount available to married persons in figuring federal income taxes. Currently only $2,300.

Civil Service Retirement Income Equity Act.—Intro. Sep.: H.R. 3040 (Schroeder, D-CO); Assumes that the pension of a federal worker is part of the marital property and that an ex-wife or widow is entitled to a pro rata share of the retirement benefits, subject to court review. Survivor's benefits automatic unless ALL parties sign waiver of benefits.

Tax credits for displaced homemakers.—Intro. Sep.: H.R. 835 (Ferraro, D-NY); Gives tax credit to employers who hire displaced homemakers.

Armed services.—Eliminates differentiations between male and female commissioned officers in appointments, promotions, separation and retirement.

Regulatory reform.—Introduced Separately: H.R. 2991 (Heckler, R-MA) Federal agencies must review regulations to ensure sex neutrality.

Hearings held:

Military Retirement Income Equity Act.—Intro. Sep.: H.R. 3039 (Schroeder) S. 1648 (Hatfield); Same provisions as Civil Service RIEA (see above). Senate hearings held Sept. 22, 1981, in Armed Services Subcommittee on Manpower & Personnel (Jepsen, R-IA, chair). House hearings scheduled for week of November 2 in Armed Services Subcommittee on Military Personnell & Compensation (Nichols, D-AL, chair).

Nondiscrimination in insurance.—Introduced Separately: H.R. 100 (Dingell, D-MI); Prohibits sex (and race or religion) discrimination in insurance, including life, auto, disability, health, annuity, et al. House hearings held May 22, 1981 in Energy & Commerce Subcommittee on Commerce, Transportation & Tourism (Flori, D-NJ, chair). No hearings scheduled as yet in Senate Finance committee.

Progress made:

Individual retirement accounts [IRA's] for homemakers.—The 1981 tax bill raises the amount of spousal IRAs to $2,250 and allows a non-working spouse to establish her own IRA based on her working spouse's earnings. Divorced homemakers can sustain their share of a spousal IRA up to $1,125.

Childcare and dependent care tax credit.—Added to the 1981 tax bill, raising credit limit to $4,800 and including a progressive sliding scale helping lower and middle income workers with dependents. Tax incentives were provided for employers to offer pre-paid daycare in their benefit packages. A Senate version making the credit refundable for families with lower incomes was left out.

Estate tax reform.—Added to the 1981 tax bill, the "widow's tax" was repealed and spouses now presumed to share equally in family estate. Exemption from state tax raised to $600,000. Senate version of the Farm Bill also repeals credit preference statute, helping widows and single parents get federal farm credit. House must accept this amendment to Farm bill.

Study on child support alimony payment enforcement.—Attached to Justice Department's authorization bill, but entire bill is stalled due to pro-busing filibuster.

Mr. WYDEN. Thank you very much. All the panel members gave such very excellent testimony about the impact these budget cuts have, and I think my colleague and I could ask a hundred questions this morning and not cover it all. We are running a little behind schedule. Each of us are just going to ask a couple and then we will have to go on to our next panel.

Ms. Reisinger, you really gave, I think, a very graphic and in direct terms exactly what we are talking about with respect to the budget cuts in one key area: disability. And I think the question that I would like to ask you after the Government has taken you through this kind of tortuous path of denying the benefits, where do you turn next? Did they say, "Too bad, you lose, that's it"? Where do you turn next?

Ms. REISINGER. I really don't know. They said that I was able to go to work as a nurse. They missed the fact that it was the stroke that was the reason I couldn't work. They just ignored that fact.

Mr. WYDEN. Isn't it true that if these conditions that you described persist that you are likely to require much more expensive medical care down the road and that instead of making it possible for you to secure treatment and assistance now, later on it will cost more to make up for what social security disability is not paying today.

Ms. **Reisinger**. Probably. I don't know what it is.

Mr. **Wyden**. Thank you. I think the only other question that I have would be a question for you, Ms. Meyer, based on your involvement in the Older Women's League. I am very pleased that OWL has been organized in the last couple of years. I think it is a tremendous advocate of seniors.

Is there any way that State and local government is going to be able to pick up the slack? Is there any way that State/local government is going to be able to cover what is being cut at the Federal level? And even if it could, wouldn't that just mean a big increase in property taxes for people at the State and local level?

Ms. **Meyer**. Well, I don't know how these things are going to be picked up. I don't see it. Many things are built upon matching local funds, but if you don't have the Federal funds, you don't have enough local funds to make up the total. So I really don't know. The picture doesn't look very promising.

Mr. **Wyden**. The only other question that I would ask, none of you really talked about budget priorities in this country which both my colleague, Mr. Bonker, and I tried to touch on at the beginning of this hearing.

Representing your organization again, Ms. Meyer, what do you think of this idea that we give billions of dollars to the oil industry and the pet innoculation programs and then we go without assistance for people in the situation that Ms. Reisinger documented with respect to disability? Do you think those priorities really make sense?

Ms. **Meyer**. Of course not. Our values are all mixed up. I have been in social services in some way all my life and I am afraid I can't see anything else. When I work with a disadvantaged population, particularly older women, no, I don't think much of the priorities where they are today.

Mr. **Wyden**. Thank you. My colleague has some questions and I appreciate everyone's testimony.

Mr. **Bonker**. Mr. Chairman, I think the record should note that the southwest Washington portion is well represented here this morning. We have people as far away as Longview, Wash., and two of our distinguished panelists are from southwest Washington, so we appreciate having the opportunity to make our views known.

I have known Al Ham a long, long time and he has always been involved and concerned about problems and I appreciate so much his concern now in the involvement in senior citizen programs.

But I would suggest, Al, when you were down there at the White House Conference on Aging, that it wasn't merely a mixup that had you going to that particular committee. It was a deliberate effort so that you could be properly enlightened as to the unique problems associated with elderly women. And based on your poetic contribution this morning, you have indeed been enlightened. So I would imagine the next time the White House conference convenes in another 10 years, hopefully in a different political climate, you will be chairman of that committee.

Mr. **Ham**. If they offered it to me, I promise I won't turn it down.

Mr. **Bonker**. Liz Meyer, you have been involved in the senior employment program in Clark County. If title V is eliminated, what would be the direct impact among senior citizens in southwest Washington?

Ms. **Meyer**. Well, just what the panel has indicated here, there will just be a greater number of women and men, too, of course, but particularly women because of the increased numbers of women, who will not have adequate incomes at all. The title V funding only provided part-time employment for them but it was a lifeline to many people not only in terms of economics but in terms of being able to make a valid contribution and to be a productive citizen.

It is very serious if we discriminate against older people simply on the basis of age and feel that their contribution to society in terms of the work they can do is not valid and then we don't offer them any alternatives. I don't know what is going to become of them. They can't even go on welfare, which isn't the answer for anybody, but that is cut also. And unless an older woman has minor children, she can't get any public assistance per se.

Mr. **Bonker**. Well, presently under title V there are 54,200 part-time community service jobs involved and two-thirds of those are employing women so it is another example of phasing out or eliminating a program that directly affects elderly women.

I would suggest that people look at these budget cuts, how they are portrayed in the Congress. In this particular program, the President in his 1983 budget requests called for elimination of the jobs program but he doesn't want to portray it as eliminating a useful program. So what he does is propose a new displaced workers program so he can emphasize the positive, and not the negative. He, then, under this umbrella of displaced workers, would have senior workers competing with Veterans, displaced homemakers, ex-convicts and other groups that would be eligible for whatever funds are made available.

Now, under his funding requests for 1983, it would be just one-third of the amount that is going to just the senior citizen or the senior working program alone. So, in effect, other than eliminating all these programs, he lumps them together with a new title and funds them at a fraction of the amount which in effect disqualifies almost everybody who are now competing for these jobs, and that is why the great communicator has been sending his message to the American people, this tax.

This tax bill that we passed last year included so many drastic cuts in the medicare program. Throughout it is referred to as savings, savings. Now, who in America can be against savings when we are experiencing these staggering budget deficits but on the flipside reducing benefits, reductions of services or in some cases passing on to the beneficiary those cuts.

So I think we ought to try to get the subject back into the proper perspective so that when President Reagan said he is saving money, he is in effect reducing benefits. Or in the case of title V, when he says that he is offering a new program, what he is doing is cutting most of the other programs.

I want to thank the distinguished panelists for their compelling testimony today. And rest assured this will go into the committee record and be made available to our colleagues back in Washington, D.C. Thank you.

Mr. **Wyden**. Thank you all very much. We appreciate it.

Our next panel will be on health care costs. And because we are running already far behind schedule, if our panel members could come on up and take their place, we will begin as quickly as possible.

Mr. Perrin, it is a pleasure to have you and all of our witnesses. Why don't you identify yourself for the record and proceed with your testimony. And because we are running behind schedule, we will have everybody's testimony and then ask some questions, but it is a pleasure to have you.

PANEL TWO: IMPACT OF HEALTH CARE CUTS ON OLDER WOMEN, CONSISTING OF BILL PERRIN, CHAIRMAN, OREGON ASSOCIATION OF RETIRED PERSONS; JANE GLEASON, CHIEF PROGRAM PLANNER AND EVALUATOR, MULTNOMAH COUNTY COMMUNITY HEALTH SERVICES DIVISION; PAULINE TURNER, CHAIR, NORTH COMMUNITY ACTION COUNCIL, PORTLAND, OREG.; AND IRIS MAY LAURENCE, SOCIAL SECURITY RECIPIENT

STATEMENT OF BILL PERRIN

Mr. **Perrin**. My name is William R. Perrin and I am chairman of the Oregon Association of Retired Persons, and I reside at one 441 Lake Oswego, Oreg. I have some copies of the testimony for the record. I am going to skip a couple parts but still get on the record.

Almost without exception the Reagan administration budgetmakers refer to savings in social security and other entitlement programs and oppose cuts in what they call defense programs. The terminology is misleading. I choose to call their "savings" cuts to our people. And their "defense program" really is a thinly disguised war program.

For the purpose of this hearing, I will stay very closely to what Washington calls savings in medicare, which in reality are cuts to our people by any name you want to call them. The cuts installed in the present budget and medicare funding resulted in a $7 per month per person increase in premiums on the medicare supplemental program provided by the Physicians Association of Clackamas County, a group of private practice doctors who have been providing service medical plans in our county since May of 1938. I am presently on their governing board representing medicare subscribers.

The request for an increase mailed out around January 1 of this year frankly stated they needed more money because of the increased costs, savings, passed on through Congress, about a year ago, that at the behest of the present administration in Washington. Other carriers have done the same thing in our metropolitan area. They are not getting rich at all out of prepaid medicine. And, in fact, Cascade Health Plan, which carried a medicare supplement, went belly up just about a year ago.

Those of our people who can't afford a supplemental medicare plan come out of the doctor's office or the hospital with direct out-of-pocket expense. This varies from area to area, but I doubt that Medicare is paying much over 50 percent of the bill anywhere, unless a doctor takes care of his old patients on an outdated 1980 formula.

There was a piece in the Portland newspapers a few months ago which pretty well established the fact that over $100 a day of each hospital bill to private-paid patients was to make up for indigent care including welfare. In just about any nursing home which accepts welfare patients, you will find that in a three-bed room, with one private-pay guest, two guests on welfere, that the private-pay bed is $8 or $9 more per day, to subsidize the State.

The American Association of Retired Persons, which I represent in Oregon as chairman of the Oregon Legislative Committee, reports that the 1981 budget made $1½ billion in medicare cuts for the year 1982 which resulted in the 27 percent increase in deductibles which resulted in out-of-pocket and/or premium increases.

The statistics of the various groups have been presented by other speakers where there are more ladies than there are men. The Perrin Statistical Analysis was founded on what they call pragmatism nowadays. Architects design senior centers with equal restroom facilities without discrimination. Consequently, the male restroom is uncrowded while the female restroom has a lineup, as my wife informs me.

Health cuts are probably more extensive than purely medicare cuts. Poor nutrition, lack of adequate heat, lack of transportation, inability because of age and physical impairment to get to needs, all or part of these must cause a psychological impairment of health in an erosion of ability to cope.

The ability to fix a leaky faucet, living alone behind locked doors, knowing that you are more likely to be a victim of hooligan crime, all of these things impacting on a person because you are an elderly woman trying to live out your years in the house you have lived in for years, must be very trying on a woman living alone.

All these health programs become much more acute with poverty. AARP contracted with Data Resources in 1980. The study is entitled "Inflation and the Elderly." In part, the survey produced the following information:

One, the average income over 65 was 55 percent of average income of nonelderly.

Two, elderly poverty rates, on decline before 1978, began to increase in 1979.

Three, in 1979 only 9 percent of the nonelderly head-of-household had annual incomes below $5,000, while 31 percent of elderly heads-of-household were below $5,000.

Four, in 1980 almost half of all persons aged 65 and above, more than 12 million people, had an average annual income of less than $5,000.

Five, the study projects that the elderly will spend even more of their income on those items which are experiencing the most rapid inflation, namely food, fuel, utilities, and out-of-pocket expenses.

These are the items I call the four horsemen; energy, health, food, and shelter.

The rule of thumb is where one-quarter of your income is for rent. On a $5,000 income an elderly woman should then spend

$1,250 for rent, or $104 a month. You will look a long time for $100 accommodations around here, even with a vacancy rate, and Mr. Reagan and his friends are raising Government subsidized housing to 30 percent of income.

I would expect when one goes to Rancho del Cielo for the weekends and holidays, that the air is clear, the sky blue, sunshines, the birds sing all day, so touches the nature in their hearts, and it must be hard to understand that others of his generation are hoping to survive.

I understand that the conference report adopted of August 19, 1982, provides for medicare and medicaid savings of $3.154 billion for the year 1983 alone and $14.5 billion over the 3-year period.

I understand on the positive side some improvements will be made in extending HMO opportunities, health maintenance opportunities, hospice care, and there are some important changes in lien laws against estates, which I do not know if it is an improvement or detriment at this time.

There is not much that comes out of Washington these days that this oldtimer would get very joyful over.

The savings discarded in hospital and physicians, I will adopt a wait and see attitude. So far I have found no one in the industry who does not intend to pass all these savings on in the form of cuts, either an increased premium or out-of-pocket expenses.

Generally speaking, the elderly who are able to afford a supplemental plan premium are much better off than those who do not have enough survival money left over for medical insurance. Since we are not living in Poland, the Government will not be able by edict to tell doctors and hospitals that they must charge less.

Thank you Congressmen, both of you.

Mr. **Wyden**. Thank you very much for an excellent statement. Just one thing, you are uncertain about what happens with respect to the liens and this is an area that Congressman Bonker and I have been very much concerned about. This bill, one of the additional unpleasant parts of the tax bill allows States to put a lien on the recipient's house. Of the person who gets medicaid, that person could have a lien put on their home when they were in a nursing home. And that was another reason why Congressman Bonker and I both opposed the bill.

You were uncertain about that provision. That provision impacts senior citizens in a very, very negative way and gives the State a right to put a lien on their home when they are in a nursing home.

So let's just proceed with our witnesses and we will have questions at the end because we are so far behind schedule.

STATEMENT OF JANE GLEASON

Ms. **Gleason**. I am chief program planner and evaluator for the Multnomah County Community Health Services Division. I coordinate efforts with the division to give services to several populations, including specialized services to the elderly. I am presently working on several different grants and schemes to obtain more funding for health services to the elderly.

Today I have been asked to testify on the increased needs of the elderly for health services due to budget cutbacks. While I was investigating all kinds of information that I could come up with, I cannot give you specific data for information and request for services, but in the first 6 months of 1981 we know we had a little less than 5,000 requests. In the first 6 months of 1982, our requests increased almost 500 percent, to 23,580. The first 6 months of 1981 we had about 5,000 requests.

The elderly accounted for approximately 10 percent of our health users, or almost 2,400 requests in 1982. Requests by the elderly were specific for dental, dentures, housing, and the housing problems had things to do with substandard, landlord/tenant relations, social security cuts, and health resources for specific diseases such as cancer and arthritis.

Information and referral specialists within the county say the elderly's calls are longer and more complicated. They are tending to wait longer for health care, until their needs are emergent and very complex problems to deal with.

In fiscal year 1981-82, 17,000 clients were seen by the department of human services within Multnomah County over the age of 65. In the community health services division, 6,200 were concerned mainly in our primary care facilities and flu immunization clinics.

What we know about these numbers is that older females account for 67 percent of our elderly users, or about 4,200 people. With the 500-percent increase in requests for information and referral, we can expect this number to increase, at the minimum, 200 percent, and very probably more.

Our primary care clinics are at capacity with our new Southast Peck Center, which opened in January, receiving 200 to 300 clients per day, about a 200-percent increase over what was anticipated.

State and local resources for this type of health care remain fairly shaky, and this year we have built 10 percent of our budget on projected fees and revenue. Medicaid and medicare cutbacks account for a substantial amount of that and will severely impact this. The medicaid and medicare cutbacks would have a severe effect on our personnel and staff we have had, since 98 percent of our budget is personnel costs.

Thank you.

Mr. WYDEN. Thank you very much for a good statement.

Ms. Turner, let's get you a microphone. We want to hear your important testimony.

STATEMENT OF PAULINE TURNER

Ms. TURNER. Ladies and gentlemen, our two men with very compassionate service they are giving to us, we appreciate it very much.

I will not try to repeat what other people have said, so I want to talk about the impact of the cut on health services for the elderly.

The cuts in health services to the elderly in our society today has been devastating to them, because a large percentage of our women are 70 years and older and receive the least income from the social security and other sources of income. Often this income ranges from $265 to $400 per month, and not all are able to receive the SSI pay supplement. This is denied to them.

These women cannot afford the minimum health costs, so the gaps between the medicare is a hardship for the older women. Daily needs for medications for a continued reasonable state of health are growing impossible to keep up with.

We go to our medicare from our social security. Part A, medicare charges now, and our local hospitals, $260 first-day admission, and it must be cash. Then that is just for 1 day. Then added to that is ancillary care, which is X-rays, tape, sponges, and God knows what all they add to that. Even a glass of water is the ancillary care that you pay for in that day.

Part B, the actual fees charged greatly exceed the amount under medicare. Prescriptions are not covered with the medications you take when you leave the hospital.

The cost of the Medicare insurance runs as high as $45 for every 3 months. Blue Cross as of June this year raised it to $70.50; $70.50 now for a quarter. Many cannot afford these. There was a loss of over 50 senior citizens on the Blue Cross during this quarter of June.

State and county are cutting minimum charges on health charges and are closing or heavily reducing their hours of assistance. It is very annoying to the elderly when they pick up a phone, call a number, and find out they are talking to a recorder with a little addition, "We will get in touch with you."

For emergency need or needs that must be taken care of that day, that is wrong. I would take and recommend further investigation for the health-maintaining organizations such as being operated in the Miami area of Florida. Now, I don't think many of us in Oregon understand this. It is in the Changing Times magazine, so we can check on that.

More benefits in the supplementary are being received cost-free to the consumer. It saves medicare money and greater benefits for the recipient of this care.

I did not introduce myself when I started out. I am Pauline Turner. I am the chairman of the North Community Action Council and Planning Organization for the north area of Portland. I am a retired nurse as of April 15th of this year.

Now I have just received an appointment for a new thing that you people should be entirely interested in, which is a new health plan being established for the legislature of 1983 by the State of Oregon for Oregonians only that may help solve the problems that are developing from Washington, D.C., that we must do something about.

Thank you.

Ms. Laurence, why don't we move that microphone? Y[illegible] have to move that other microphone and get as close to it as you possibly can there.

STATEMENT OF IRIS MAY LAURENCE

Ms. **Laurence**. My name is Iris May Laurence, and I receive social security. A month ago there was a $7 increase in social security I was not eligible for. I would gladly give them back their $7 if I could have this project help me.

I have high blood pressure, which resulted in a stroke in April. Blood pressure medicine is very expensive. One medicine alone I take, it is $34, and I take six different kinds of medicine. The doctors are always coming out with some new kind of medicine which is very expensive, and I simply cannot afford it. At the present time I cannot afford any other supplemental insurance with medicare.

Thank you.

Mr. **Wyden**. Thank you. All our panel members were very good, and I think we need to ask a few questions.

My colleague, Mr. Bonker, I think gave a very clear explanation of a lot of these cuts in medicare and medicaid that were in the tax bill that both of us opposed last week. In effect, what they do is raise the medicare deductibles, raise the payments under medicaid, one of the things that concerns the committee.

Is this going to make people more reluctant to seek health care because there have been all these cuts, or just postpone medical services that they need and just wait and delay until it reaches a crisis point?

Ms. **Turner**. Yes, it will be. Yes, sir; it will be.

And there is another thing I would like to call your attention to.

I received just now a notice from the social security that since I am a recipient of a railroad pension from my husband's death, my medicare will be transferred from the social security to the railroad program. I have no idea what this is going to cost me. There is nothing I can do about it. It is a decision which was made.

Ron may be interested in it. I just now received the notice.

Mr. **Wyden**. We are very interested.

The reason I asked the question, not unlike that which we talked about with Ms. Reisinger on the last panel, the delaying care and delaying need of treatment means that bigger expenses are required down the road, so not only is it not fair, but you don't save any money in doing it.

Just a couple of other questions.

One of the arguments that was made in pushing through the medicare and the medicaid cutbacks is that in reducing the payments to doctors and hospitals that somehow this wouldn't hurt the senior citizens; that it wouldn't get passed on to them.

Do you agree with that?

Ms. **Turner**. No, no.

Mr. **Wyden**. Do you think the cost is just going to be shifted to the senior citizens?

Ms. **Turner**. It will be, yes.

Mr. **Wyden**. The last question that I would have, and I know my colleague has some, is that there have been a lot of reports that the patient load in the private hospital is now leveling off because of all these reductions in payments; whereas, in the public hospitals there are more people coming in.

Do any of you as panel members think that we are creating two separate classes of health care in this country, one for people who just can't pay and another of better quality for people who can?

Ms. **Turner**. I can't answer that, or will not answer it, since the UoO demands a certain amount of payment before you enter the hospital. In the case of a suicide that is documented, the man was taken to the hospital and he was rudely refused admission and finally ended up on Burnside's care for those people. He was kept 72 hours and sent back to an elderly sister who is unable to take care of herself.

It is very difficult at this time, when you are in health care, finding out what is going on. But one thing sure is that they have refused mothers that were delivering babies to the hospital because there was not money there to pay for it, and we are in drastic circumstances for the poor.

Mr. **Wyden**. Thank you. My colleague, I know, has some questions.

Mr. **Bonker**. Ms. Turner, at the close of your statement you made reference to a program that is recently enacted by the Oregon Legislature.

Ms. **Turner**. It is now being prepared, sir.

Mr. **Bonker**. What does the program do?

Ms. **Turner**. This is going to be a program on the social security program, more or less, but it will be for each Oregonian in the State of Oregon: Free care, hospital care, for those. It will be guilded by special funds, by grants. Those that can pay will pay, and it is just now being in the process. I do not have the material fully, but I will see that you get it if you want it.

Mr. **Bonker**. Will that complement medicare?

Ms. **Turner**. Yes, it will.

Mr. **Bonker**. Will it be based on income levels or needs, because medicaid does already provide coverage in many instances.

Ms. **Turner**. No. With this new notice that I got just the other day where they are transferring people out of the social security benefits into other programs, it shows that that is being tightened and closed out.

We have 26 percent of our people in Oregon without medicare now, since the unions are no longer carrying benefits because of the lack of employment. It is a drastic situation. We have got to close the gap holes somewhere.

Mr. **Bonker**. I certainly agree. And, incidentally, I have introduced a bill in successive sessions of Congress that would provide comprehensive health care to senior citizens, and the bill would accomplish this by maintaining part A of the program, which is supposed to provide for full coverage—at least 80 percent in many instances—for hospital, inpatient hospital care, but would also expand part B to make it comprehensive for physician services and would cover prescriptions and other expenses associated with the inpatient and outpatient care, including skilled nursing facilities.

This is my alternative to national health care, because I feel that concept is long overdue. Now that we have something of a new structure that provides medical care to working people, and through medicaid, if Stockman doesn't strip it altogether, supposedly it provides for those in need, but there is a real gap.

The real crisis in our health system is for those on medicare, because when it was conceived it was supposed to provide 80-percent coverage, but it actually provides less than 50 percent. So if the State can supplement it until Congress is brave enough to take on this issue again, it is desirable, but I have read the papers and I know what your financial situation is in the State of Oregon. I doubt if you are going to have any additional moneys to support a program of that magnitude

Ms. **Turner**. We do have sponsors and cosponsors down at Salem now, but we are facing election.

And another thing: For the first time we do have unions that are interested in this plan at the beginning stages, which has never happened before.

Ms. **Gleason**. I believe I know what she is referring to, and it would be just for all ages.

Mr. **Wyden**. Just so we know, for the record, what you are talking about is extending project health across the State?

Ms. **Turner**. That's correct.

Mr. **Wyden**. Thank you very much for your excellent testimony and we'll make it all part of our record. And our next panel will be on the impact of budget cuts on community services, and if all of you will come up and take your seats we'll all start in just a minute.

PANEL THREE: IMPACT OF BUDGET CUTS ON COMMUNITY SERVICE PROGRAMS FOR THE ELDERLY, CONSISTING OF LAVERNE MOORE, VICE PRESIDENT, PORTLAND/MULTNOMAH COMMISSION ON AGING; MARY LINN, RESIDENT, HOLLYWOOD SENIOR CENTER, PORTLAND, OREG.; NANCY RUSSELL-YOUNG, DIRECTOR, PROJECT LINKAGE, PORTLAND, OREG.; AND EVERGIE HARRIS, TITLE V COMMUNITY SERVICE EMPLOYMENT WORKER, PORTLAND, OREG.

STATEMENT OF LAVERNE MOORE

Ms. **Moore**. My name is Laverne Moore. I live at 2829 Northwest Upshur in Portland. I was subject to mandatory retirement age at 65 and now I am a volunteer. I am a member of the Portland/Multnomah Commission on Aging and also of the District Advisory Committee to Friendly House Senior Center.

I have been asked to describe the area agency on aging services and their program cuts. And both the agency and the commission appreciates this opportunity to testify today. I have been asked one question already before I got here today, that is whether I feel that in testifying here I am doing a sex discrimination act against men and my answer is that I think no. We all know that men suffered from budget cuts, too, but the reason for this hearing is there are more senior women than there are men and more who are low income. In Multnomah County, 60 percent of the over 60 population are women. And of the population served by the area agency, 80 percent are women.

I would like to start by giving a brief overview of the AAA program and then talk about the effects of recent budget cuts on older women.

The Portland/Multnomah Area Agency on Aging uses title III C, nutrition funds from the Older American's Act, to provide congregate meals at 26 sites. That includes four special nutrition sites for the area's elderly Japanese, Hispanic, Indian, and Jewish populations. There are also almost 280,000 home-delivered meals prepared and delivered during the year.

The AAA also uses Older American Act title III B funds to provide country-wide services to the elderly such as information and referral service and transportation and legal services. But the largest portion of the III B funds is used to sponsor eight local district senior centers spread throughout the city and the county. These senior center services include everything from counseling and outreach to chore/home maintenance and shopping assistance.

A large portion of the support for these and other senior services has always come from private funding sources such as the United Way, local community fund-raising activities and a heavy reliance on volunteers. Inflation and an extremely depressed northwest economy has greatly taxed these local resources. Recent Federal budget cuts have come at a time when other resources, including family members, are unable to take up the slack. In this area, we are very unfortunate to have local govenrment officials on both the city and county level who recognize the necessity of value of services which enable the elderly, especially the frail ones, to live full and independent lives.

But because of Federal budget cuts, local government has had to increase its support simply to maintain existing services. This means, however, that local government funding now makes up for only one-third of the AAA budget. Despite the continued commitment to the elderly by local officials, local government revenues continue to dwindle. I think it is safe to say that by next year, at the very latest, local government will no longer be capable to carry the increased burden. This is also true of the State-funded in-home services program, Oregon Project Independence.

These AAA services are clear-cut and visible and so are the cuts, the fact that 13 percent or more of the Older American Act funds are gone. Now, our commission advises the area on aging but it also has another function, it advocates for seniors.

Now, as a member of that commission I seek other effects of Reaganomics on the older woman which are not so visible. These are the drastic indirect effects of various policies of budget developments. For instance, the failure of an administration to turn the economy around as promised has resulted in massive unemployment. There are many families that can no longer help the elderly grandmother. A number of older women have entered the job market for the first time, others have gone from retirement to second careers. Then comes unemployment. And these are women who are forced to turn to public assistance where the cuts have already been made.

There is another example. Seniors are now hearing that the administration is proposing a relative responsibility provision expecting adult children to contribute when the parent needs medicaid. An older woman already in a nursing home lies there, worries herself sleepless, thinking that the family will not eat or the children will not be educated. The older woman still at home or in her children's home, now actually needing nursing care, will refuse to go to the nursing home for fear that the family will suffer.

And there has been another one which is the saddest one of all and this is the subtle psychological reaction to all the uncertainty as the administration turns its economic theory first in one direction and then the other. Information and referral specialists in senior centers can testify to the fear, the apprehension, and the misunderstanding these women have experienced. This is all stress and depression which comes from a feeling of desolation of being abandoned in favor of missiles and warheads. In the long run, there is deterioration of both physical and mental health.

The combined impact of the total Reaganomics pattern is to create additional applicants for public services, which have already been cut and they are no longer there. Private agencies and volunteers are being overwhelmed and exhausted. There will be more State and local cuts and taxes are sure to rise and there will be talk of a sales tax probably being suggested in the future.

What we ask for today, please, is for Congress to stop and think and stop the cuts. Give us a chance to deal with what is already here and that is for the sake of the older woman and also the older man.

Mr. WYDEN. Thank you very much for a good statement. Mrs. Linn, we will get you a microphone. I feel badly if you are being uncomfortable by the light. Is the light OK now?

STATEMENT OF MARY LINN

Ms. LINN. I am Mary Linn from the Hollywood Senior Center. I am just a young kid of 88 years old and I am very glad that I can walk round and see everybody. Well, I live at 3444 Northeast 78th in Portland and I moved here from Nampa, Idaho. I was born in Idaho where the sage brush grows and the potatoes grow and the wood ticks, too.

I am very much concerned about the social security. I have worked under welding in the shipyards during the war. I have worked under, previous to that, at 57½ cents an hour, that was taken out of my paychecks. Again, I didn't have very much to take home to my kids and I thought when my social security would arrive when I was a proper age, I wouldn't have any worries. But I find out that I do.

I think that it is too bad that the senior citizens have to have the fear of being cut down on social security after working and striving and trying to make it for their older lives. Well, there isn't a thought about that with the younger people coming on. If they live long enough, they will be under social security if we have one. Let's not cut any more social security down. Let's let it alone and throw that hatchet in the river that's doing the cutting.

And then there is the medicare that I worry about. I am wondering if it won't affect the people who have surgery that have to be sent to their homes to recuperate under good care until they are able to maintain their older homes. Most of them live alone. And it is more that they get their health back than to go home. I think that the medicare is a wonderful thing and I don't want anything more done to medicare. In the first place, I don't believe that there will be enough with the social security or the medicare to amount to too much in the budget when cutting the program we hear so much about.

Being an older citizen, I am concerned about these two things. And last night I was to a lawn party. We had men and women who are still working that have been laid off of their jobs for seniority and they are wondering about this social security, if there will be any when they arrive at that age, and that is fear now. We don't need any more fear. We should have our lives and the sunshine of life to rest and relax and think about all the good things that we can.

Well, another thing that I wonder about is the transportation. Transportation is a wonderful thing for us people who do not have cars. In one time in my life, in 1918, World War I, I drove an old Model T and that was the most wonderful car in the world to me. But now in this particular time of my life I do not drive. I feel inadequate with the people who are driving fast cars. Everything is at a fast pace and I would run over somebody or get run over, so I gave my license back for security to other people and myself. So I don't have the transportation. Only I get Wednesdays in shopping and I enjoy that. I buy my food at the store and the lift comes and takes me. I ride to the senior citizens on Thursdays with a friend. And if I didn't have her, I couldn't get to these senior citizens and so I hope that we can have better transportation down there to do our things that we enjoy.

Older people need to mingle with other people and not get queer. If we just stay home all the time and think about our backaches and toothaches and what-have-you, we get funny. Our friends notice how odd we act. And if we can go and mingle with other people and laugh and have a dinner and have maybe a game of pinochle, it is a very wonderful thing for us mentally, physically, and every other way.

So I hope that we can have some transportation we had at one time on Thursdays to the centers and I appreciate going on the lift to the doctors. That is still on. I have been taking advantage of that and I am very glad to have it and I appreciate all that that has been handed to me. But I do not want anything to happen to social security or medicare and I pray for the knowledge and the understanding of these things and God's help for the United States of America and our future well-being. I thank you.

Mr. WYDEN. I thank you, Ms. Linn. I think if it wasn't against committee rules, Congressman Bonker and I would give you a standing ovation because you said it very, very well. But let's proceed with a number of our witnesses and we will have some important questions.

Ms. Russell-Young, it is important to hear about you and your fine work in Portland.

STATEMENT OF NANCY RUSSELL-YOUNG

Ms. YOUNG. Yes. My name is Nancy Russell-Young and I direct a program that is designed to provide services for older people in northeast Portland through volunteers. Its name is Project Linkage. The idea behind it was to link neighbors with each other to fill some of the gaps in services to the elderly. Because of big caseloads and lots of redtape, a Government agency is not always able to provide for what we call quality-of-life needs. A person can get transportation, housekeeping, and so forth but with little personal contact with their social worker. In other words, they get the basics. We were designed to fill in and provide some of the things that make a person feel like they are living a quality life, not just living.

Lots has happened in the 2 years since we opened our doors. Our requests have doubled. Whereas at one point senior centers were able to provide some friendly visiting or escort through CETA programs, and so forth, they no longer are at all. Recently we have been getting more and more referrals for housekeeping. This could be laundry once a week to mopping floors and vacuuming. It seems that now in order for a low-income person to receive these services, they must also be in critical need, very close to nursing home placement. One's transportation is also restricted to medical appointments, as Mary was saying. We do lots of transporting to beauty parlors or to visit spouses in nursing homes. In northeast Portland we had no subsidized yard work programs. And so many yards and bushes got higher and higher. Are light housekeeping, trips to the beauty parlor, or to visit a friend or yard work frills? No. They make up a quality life. They are prevention.

Many of the services which fall under the category of "quality of life" needs are preventative. If you have ever heard the expression, "an ounce of prevention is worth a pound of cure," you will know what I am talking about. This is particularly true when you are talking about the cost of taking care of someone at home as compared to nursing home care. Providing transportation for socialization is not a frill, it is prevention, just like Mary was saying once again. Light housework, even if it is doing the laundry, is not a frill. It is a prevention. Keeping the lawn mowed is certainly not a frill. Anyone who receives a nuisance notice knows that. One can become very unpopular in a neighborhood if they can't each keep up their yard. In the past an older person has been able to get many of these services for free through a variety of Government programs. No more.

I would say that our caseload is 90 percent women. Most of them live alone although some are still trying to get care for their husbands at home. There are not very many husbands still caring for the wives. It is mostly the other way. These are people who are not accustomed to handouts. They don't want one either. What they want is to be able to live comfortably without being too much of a burden on anyone. Many people have been so grateful to have housekeeping or transportation provided so their neighbors were relieved of some of the pressure. As services are cut back, the Government is asking friends and neighbors to become more involved. The news is that they already are and have been for a long time. Now they are being asked to do more. We have requests for housekeeping that we cannot fill and I expect that to increase. We had a request to help a woman that had injured her foot and could not stand in order to do her dishes. Days went by, still no volunteer. Finally, my assistant and I washed dishes which had gotten out of hand by now. She didn't fit into any category. Volunteers are important, but we need to work together with the Government. Not alone. Together we can prevent the dishes from piling up.

Mr. **Wyden**. Thank you. Ms. Harris?

STATEMENT OF EVERGIE HARRIS

Ms. **Harris**. My name is Evergie Harris, I have been a Multnomah resident for 40 years. And I would like to talk to you a bit about some things that make older women fear unemployment so much that many of us feel very depressed when it is threatened or when it happens to us. Somehow we seem to have a much harder time getting jobs. I hope this changes in the immediate future.

I believe there are too many myths in our collective minds about older people in general and older women in particular. One common one seems to be that older women cannot produce or keep up the pace. It is as if we are compared to an old car which has both broken down and ran out of gas.

Experience has shown that we can be very productive, can keep up, can learn, and can change when it is important to do so.

Another myth is in the area of job seeking. Too often we are met with either vague or specific reference to our being over qualified just because we are over 50, even before we can discuss our individual needs and differences. I also get the feeling that a lot of much younger persons do not feel comfortable supervising us because we are perceived as a threat to them even though we are eager to please and achieve.

The recent employment programs aimed at helping people to get trained or retrained have not reached anywhere nearly far enough for older women. Many of us have had long demanding roles as mothers and homemakers but need some additional help to either translate these skills into the world of paid employment or gain new or updated specific training. Programs which have provided this have been helpful but we still need them and more.

Since 1960 I have been trying desperately to have a better life for myself and my children. Since 1967, when I became a single parent, I have worked long and hard to bring in money for the family in order to educate my children and myself while also trying to improve my living standards. I attended classes in the evening while working a full day and trying to be a responsible parent to my nine children.

In looking back over the years, it seems that each time I finally reach a higher level, the props were pulled out from under me and I would have to begin all over again. It is like having a flimsy ladder to climb on. And as I am about to reach the next plateau, someone destroys that ladder. You always try to land on your feet but each time the jolt gets harder.

One of the greatest values in our older worker programs like title V of the Older American's Act has been that we have specialists who have worked with us and can provide guidance in alternative ideas right from the beginning since they feel comfortable with older people and can get right into helping those women or men who have been out of the work force for years or who never really entered it until now.

Under the circumstances just described, we do not need to compete against numbers of younger people when we go to interviews under the title V program. We do go for the interviews on the programs. We know the employer either asked for us or knows we are coming. This has helped a lot of us gain confidence so we can compete better later on.

However, if title V is not funded, and this is the current ladder for over 55,000 older people, the continued chance to move upward will disappear. We will not be able to have an opportunity to learn new things, gain more skills and still earn money while helping in the community. We will be without options at an even greater degree because of our economy. It leaves a very grim and frightening outlook.

Though I continue to keep as optimistic as I can about the future, it takes all of the energy I can gather having to do this. I know I speak for many thousands of older women who have had many of the same experiences I have. I can only say that since our ladder seems so flimsy, all I can say to all of the older workers here today and nationwide is to hang in there because we must hang tough.

Thank you for the opportunity of sharing my thoughts with you today.

Mr. WYDEN. Thank you, Ms. Harrison. And thank you for excellent statements, by all the panel members. This is an important panel about community services. I just have a few questions but first I would like to ask—that we turn those lights off for just a minute. Somehow the body wasn't made for television aids. I have been convinced of it for a long time.

Ms. Linn, you gave a very good statement. I happen to agree with you that the senior citizens are more frightened now than any time since I have been involved with senior citizens' concerns, and I was a director of the Gray Panthers for 7 years before I went to Congress. Not a night goes by when you don't come home and turn on the television and you hear social security is being cut and medicare is being cut and that seniors are very frightened.

I was interested in your comment because of your work in the shipyards where, in effect, you did everything that you possibly could do to pay your own way, and that was hard physical labor for anybody regardless of their strength or their sex.

Do you see this whole effort to cut the social security and medicare as an effort by the Government to change the rules after the game is played. You have done your share, and then all of a sudden somebody in Washington says, "Well, we are now going to change the rules after the game is played?" Is that the way you see it?

I would like to have a microphone, if we could, for Ms. Linn. Because she gave such a good testimony, I think we would like to have your answer to that.

Ms. LINN. I would like to add that I have an ancestor who is dead now that fought in the Civil War, if you please, in the State of Michigan. And this gentleman, this man, was earning $30 a month for a pension. You won't believe that but he did, and $30 a month fed two or three people. And he had a garden and as long as he lived he received his $30. He had a little raise toward the end of his life and he was so happy to get a few dollars more. And do you know, folks, that there never was anything said about cutting that? Nothing was said. And this thing in the United States was paying my relative his $30. He had no worry about it like us people. Now, how come? The same Government.

Mr. **Wyden**. I think you have answered it and you have answered it very well, Ms. Linn. The question is, Why is the Government changing the rules on the retirees after the game is played? And I assure you because there are people like Don Bonker and Chairman Pepper in the House of Representatives, we are not going to let them get away with it, and I appreciate your testimony.

Just a couple of other questions. One for you, Ms. Young. These cuts have been in effect for a year now. Some of them more than a year. And one of the reasons a lot of us opposed the cuts is we felt it was just going to raise the institution tab, that you are going to have to pick up some of the costs and cut back in community services seeing higher intitutional bills.

Are we starting to see that here already in the Portland metro area?

Ms. **Young**. I think what people are trying to do right now is there are more people taking older people into their homes. There are more people struggling to maintain in order to avoid institutionalization. What they are finding out is there is not enough support in order to do that. People are forced then to go to institutions. But more than that, people don't have a choice of which institutions they go to now because of the cutbacks in space. People are going places they don't want to go. Family members are trying to prevent that by keeping them at home or trying to find other people to come into the home to provide services and they are not there.

And I think as time goes by, the institutional cost is going to be going up because people are finding out that they can't do it at home. There are no resources. Unless you are needing health care at home, then you can get medicare to provide some of those costs.

Mr. **Wyden**. That's an excellent answer. I think the committee is really interested as we go along in having good documentation from people like yourself who are on the frontlines about just how these budget costs would require us to look at various other alternatives which might be more expensive and less desirable.

Just one last question for you, Ms. Harris. My colleague talked about the 1,500 people in Washington and Oregon who would lose their title V positions if the President's third veto of the supplemental protections bill wasn't overridden by the House.

Is it your feeling that any of these people would be able to find other jobs in this economy or would they just literally be forced to go on welfare if they were eligible or not have any employment at all? Could they find other jobs?

Ms. **Harris**. My feeling is it is going to be very, very hard if they can't find other jobs and it would mean they would be back in the welfare lines, if there is any room for them. And most of the people, you know, like say my age, I wouldn't be eligible because I don't have small children and it seems that everything is geared to the people that have small children to be on welfare.

Mr. **Wyden**. Thank you.

Mr. **Bonker**. I don't like asking this question but I think that it ought to be asked and perhaps Nancy Russell-Young can respond.

Ronald Reagan came into office on a wave of protest, if you will, about alleged complaints of fraud, abuse, waste in domestic programs. And I think we have to be honest with ourselves that that kind of abuse exists. It always does and it always will and the entire spectrum of programs that are administered by all levels of government. So there is something of a mandate to make the system, the delivery system, more efficient and try to provide services to those who are eligible but not excessive benefits to where we had abuse in some of these programs.

And when I get around my district, which is basically rural, I have run across legitimate complaints about abuse in the system. I wish we could have the same public scrutiny on the defense spending as we have on the domestic spending. Because if there is a waste in the small community, everyone knows about it if they were cheating on unemployment. But if there is waste on the MX missile, nobody sees it very clearly. And those are megabucks we are talking about, programs in magnitude.

But in any case, he did not have a mandate to come in and eliminate the programs or greatly reduce the benefits. To tighten them up, to minimize the abuse and the waste, yes, but not to eliminate them.

How would we go about an effective program in minimizing the waste in the programs and making sure that those people who are eligible actually get those benefits?

Ms. YOUNG. I think there is the definition of waste or I was using the word "frills." I think that people define waste differently or frills differently than I do, for example. I think that the kinds of things that were being provided or are trying to be provided say, for example, to the AAA system were quality of life needs of what Mary was talking about, what I was talking about.

Not only could you get transportation to the doctor, for example, you could get transportation for socialization. That in my mind is not a waste. Or you could get housekeeping for a person like Mary, for example. Mary is a friend of Project Linkage. We have worked together and have tried to help in a variety of ways. But a person like Mary does not qualify anymore for housekeeping services because she is not in danger of being in a nursing home in the next 30 days or whatever they decided, 10 days, 2 weeks. Or whatever it is anyway, she isn't. But the fact is that she needs some help with some mopping and things like that.

I don't know how they define what is a waste or an extra, but what is happening is it is being pared down and what the effect is that prevention has been taken out of the services. We are not talking about making it possible for people to stay in their homes longer by providing these variety of services. We are just talking about stepping in when there gets to be a crisis. When things get really bad, then you can get help through government services. But the government isn't interested in prevention and I don't know why its called waste. I really don't understand that.

And I also think of anywhere there is a minimum of abuse of the system, it is in programs for the elderly. We are open to all ages. I mean our volunteer program is open to all income levels, and most of the people we serve are making $300 to $400 a month.

Mr. WYDEN. Would you like to add something to that, Ms. Linn?

Ms. **Linn**. I would like to answer that this lady has helped me in so many ways. I have never had to be waited on in my life. I have always been able to struggle along and fool everybody. But here lately I have to have a little help. I have had help maybe 6 months now and I don't count it off because I am too able bodied. I am part Irish and——

Mr. **Wyden**. That's clear.

Ms. **Linn**. And the Irish, they don't waiver. They have got a lot of get up and go and I have been very thankful I have had the help from this organization Linkage, and also the senior sitters have helped me. They carry me around like I was a queen, but you can't fool all the people all the time, can you? Some of them are going to catch up to you

And I am the happiest person in the whole world and I want to keep my social security so I can buy a little piece of meat once in a while and pay for some pills that are only $18 for, oh, maybe 15 or 20 pills, 20 pills maybe, and I want to be able to pay for those things. I mean pay for them. And I like to be that way, and I know that social security was meant for people like me and some other people out there that have worked and we want to be independent, not on the county.

I thank you.

Mr. **Wyden**. I thank you because you said it so well, and that is exactly what the committee needs to hear. And you can depend on our efforts to keep them from cutting existing social security and medicare for people who just don't have any alternatives.

And I thank all our panel members. Our next panel is going to be on housing. We will start in probably 2 minutes. I am just going to step outside for a quick minute but we will be back by the time the housing panel comes on up.

[Brief recess.]

Mr. **Wyden**. The committee will come back to order. This next panel is on housing issues.

Let us proceed with Ms. Lofquist and we will go straight down the row again, just each person identify themselves and please speak into the microphone.

PANEL FOUR: IMPACT OF REAGAN BUDGET CUTS ON OLDER WOMEN, CONSISTING OF ETHEL LOFQUIST, ASSISTANT HOUSING MANAGER, BRIM & ASSOCIATES, PORTLAND, OREG.; MICHAEL STOOPS, CHAIRMAN, BURNSIDE COMMUNITY COUNCIL, PORTLAND, OREG.; ALAN HAM, CHAIRMAN, SOUTHWEST WASHINGTON AREA ON THE AGING COUNCIL; NORA LENHOFF, ON BEHALF OF BILL HUNTER, EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF PORTLAND; AND LUCILLE TENANT, RESIDENT, HOLLYWOOD SENIOR CENTER, PORTLAND, OREG.

STATEMENT OF ETHEL LOFQUIST

Ms. **Lofquist**. My name is Ethel Lofquist. I am an assistant housing manager for Brim & Associates. I am also a psychologist and a gerontologist so I am very interested in aging. I work on a daily basis with elderly tenants and I think we have already discussed the things, that I say, the psychological problems when people hear about cuts or anticipate cuts. It is devastating.

As people get older, they face a lot of losses. The loss of income, an income they depended on, and the psychological devastation for that happening is just incredible. The changes that I would like to see in assistant housing are probably some of the priorities. Rents are going up in assisted housing. I believe they will be up 1 percent a year, so people will pay 30 percent of their income instead of 25.

People in our buildings range from $10 a month close to $300 depending on their income. There are people who are paying $9 or $10 a month with incomes that are very, very low. We have tenants to qualify for SSI that refuse to go get the money. They are that proud.

So, when they go up to 30 percent of their income, that is a large portion. To qualify for assistant housing for elderly you have to be able bodied. You have to get a physician's statement saying you are able to live independently, which is fine except that it is sort of the young/old but the young/old can become the old/old. And as these people become more frail, the services that are needed to maintain the independence as required in assistant housing is not there.

I think we have already talked about the cuts in the services so people can't basically get the things they need such as housekeeping. Like meals, people can't prepare their own meals. I believe we are going through a stage and we had hopes of changing some of the systems, changing some of HUD's requirements so we can fund congregate housing, which is basically room and board for that whole segment of older people who have drinking problems and who are crazy. They don't qualify for assistant housing programs either.

But any hope of changing any of these priorities are gone. And in the end if we don't provide services for the frail/elderly, if we don't provide congregate housing, people are going into nursing homes and nursing homes cost more.

Mr. **Wyden**. Thank you, Ms. Lofquist, for an excellent statement. I notice the community appreciates your leadership in the housing field and I certainly do in the help that you give us in our office.

Michael Stoops is here and I am looking forward to your testimony, another community leader with tentacles out for all the good work that is being done in Portland and please proceed.

STATEMENT OF MICHAEL STOOPS

Mr. **Stoops**. My name is Michael Stoops and I have lived and worked in the Portland skid row area for the past 5 years. I work full time as a social worker for the Burnside Community Council. I currently serve as the board chairperson for that organization which is an advocate for and a provider of emergency social services for both Burnside hotel dwellers and the homeless men, women, and children who somehow wind up on skid row. Our largest and best known programs are Baloney Joe's, which is not a bar, or West Women's Hotel/Shelter which is a skid row shelter for women and children. During the winter months, the Burnside Community Council is the largest night shelter provider in the State of Oregon providing 131 bed spaces for homeless men, women, and children.

Since this hearing is geared toward the effects of budget cuts on older women, I would like to direct my remarks to that issue.

There have always been women and children on skid row. It was about 3 years ago that we noticed the number of women and children on skid row was increasing. We decided at that time to open a combined hotel and shelter for women and children only as most of the existing mission and shelter facilities would only serve men. Hence, we opened up a closed hotel at 127 Northwest Sixth Avenue to serve as a safe and secure hotel and shelter for women and children. The West Hotel provides 25 low-cost hotel rooms at about $100 a month or $25 a week and 32 emergency bed spaces for women and children in crisis. The hotel is almost always full throughout the year.

Since no one is born to the skid row way of life, it is critical to look into the reasons why women and children wind up in skid row.

Most outsiders subscribe to the myth that people choose to reside in skid row. Such slogans as, "They like things halfway," or, "Aren't they so happy and carefree?" or, "Aren't hobos nice people?" or, "That's just the way they are," are frequently mouthed by people who have no understanding of the issue. It is as if we can believe that all homeless people are really Freddie the Freeloaders portrayed by Red Skelton or that eccentric shopping-bag lady portrayed so well by Carol Burnett, because this allows us somehow to absolve of the guilt of our society for not taking care of the homeless.

During the past 2½ years it has been our experience that women and children come to skid row or the West Hotel for one or more of the following reasons: People come there because they are experiencing personal crisis in their lives, women who have been cut off welfare, social security, food stamps; women who have been battered by their boyfriend or husband who try to get into the other shelters but they are full so they come to skid row. We give women shelter who have been evicted from their apartments. We have teenage women who are runaways or emancipated minors. We have young pregnant women who are no longer eligible for welfare and we have prostitutes who are fleeing from their pimps for safety's sake and women who have used up all their unemployment benefits, and finally we have women who are suddenly unemployed and without any source of income.

These are the reasons why men, women, and children come to skid row. But the last reason, that is suddenly being unemployed and without any source of income is the most common reason why people gravitate on skid row as they are seeking emergency social services while trying to get back on their feet.

I would venture to say that almost any American citizen, any person in this auditorium, if denied work opportunities for a prolonged period of time would end up in skid row some day in a soup line unless saved from his fate from a family member or a family or some program of social legislation, irrespective of any personal problem, alcoholism, divorce, that that person might have.

Once again, the central problem of the homeless, the skid row dweller, the hobo, tramp, migrant, whatever term you prefer to use, is how to survive when there is no work to do of any kind.

Unemployment has always been the No. 1 problem in skid row communities. In fact, our skid row and other skid row areas throughout the country were created after the Civil War. Thousands of Civil War veterans at that time would migrate and travel throughout the country searching for work and they always served as a cheap pool of unskilled labor.

Historical factors have always affected a number of people who migrate to skid row. You can look back to the continuing European immigration, immigration in the 1900's and 1800's. You can look at the panics and recessions and the closing of the frontier, the gradual decline for the need for unskilled labor, the upward mobility of organized unions, depressions. And now we have the policies of the Reagan administration as having a direct impact on the numbers of people winding up in skid row areas throughout the country.

More and more people unfortunately are coming to skid row. They are making their way to the Burnside community. We expect this coming winter to be the worst ever in terms of the number of people requesting emergency social services. Even to this very day, September 1, our shelters are full even during the warmest months. Homeless people who need shelter this winter will simply be forced to walk the streets all night long to keep warm or take their chances to crime or overexposure to elements of winters by sleeping out in cars or parks or underneath the bridges and hobo jungles.

And as we move deeper into the dark throes of the Reagan administration, all that we are promised is there is light at the end of the tunnel. It is similar to Herbert Hoover's promise of two chickens in every pot which turned out in reality to be a mere scrip for charity soup, a tar-papered shack in a Hooverville camp in Sullivan Gulch or a permit to sell apples and pencils on credit on city sidewalks. All we can really look forward to is another decade of the homeless, complete with an updated version of the Grapes of Wrath syndrome.

Not only are we being acted upon by the Federal Government at this time but also we are being acted upon by an actor of sorts. For the President and the Reagan administration have declared war on the army of the homeless whose lives live like dead corpses which can already be seen on the streets and gutters of Burnside.

Life indeed has turned sour and twisted when the President is able to talk freely without criticism about understanding what it is like to be poor when his only real experience in dealing with the poor was listening to the whistle blow on the wrong side of the track, the rich person's side. That loud blowing whistle that the President did not hear is a hidden cry of the poor and the homeless that is finally getting louder and louder and no longer singular.

The question that we now face is not how to help the homeless, but how to restore humanity back into the hearts of the heartless Reagan administration. For if we fail, we will then leave the final judgment up to historians who will judge us by how we treated the weakest members of our society and not the most powerful.

Thank you very much.

Mr. **Wyden**. Thank you for an excellent statement. Mr. Ham, we are happy to have you return on another panel and just please proceed.

STATEMENT OF ALAN HAM

Mr. **Ham**. Thank you. I am Alan Ham and I have been active in senior housing since 1967. I want to call your attention to one thing that came out of Washington State House Conference on Aging and it is the released newly completed study by the American Health Care Corp. And these words appear in it regarding optimism in people over 60 years of age:

"The optimism requires three basic factors, health, economic security and having an ailment companion." It goes on to say immediately, "If a person's house has health service, that includes it even further."

I lost that one. OK.

To the housing. I want to talk about where we are. We are today in both of our States facing lists of seniors for section 8 housing. In the city of Vancouver, we have 439 on that list, 90-plus percent of which are elderly. They are looking at from 3 up to 4 years of wait before housing will be available to them. That is true in our State. We also have a shortage of mobile home park spaces which reflects in higher cost to those people in those mobile home parks.

I want to read an insert from a publishing called "A Decade of Reflecting," which was released after conducting extensive hearings around the State of Washington. According to witnesses, elderly renters of apartments are subject to some of the worst abuses because of the scarcity of affordable apartments and mobile home sites. Rental rates seem to predicably increase every time there is an increase in social security payments.

In some cases, more than 50 percent of their income is to be spent on housing. One of the things that is happening in the trend of existing apartment houses, some of which are under section 8, is the wealthy are moving into condominiums and being lost to the senior community because of that transition. Recognition of that appears in the White House Conference on Aging, and I guess with these words, "Displacement of the elderly due to conversion."

And the Washington State White House Conference on Aging has these words in it, "Inflation and high interest rates have led to speculation in housing which has driven up rent and also caused rental housing to be converted to the condominium status." Presently, senior citizen housing we are not building any more. However, presently our maintenance, I believe that the last HUD announcement for our areas envisioned 150 units for tenants in Oregon and four counties in Washington together.

We are going to be short, according to the White House Conference on Aging in the State of Washington. We are going to be short in the next few years which current estimates in Washington State alone is 55,000 low-income in need of housing assistance. The number of elderly households in need is said to be increasing by 2,000 annually in the State of Washington.

I want to make sure that I get in the record a couple of facts before I sum up. One of them is that among the old there is a tendency to want to remain in their own homes in which they have raised their children and their family and those familiar surroundings. They wish to die there and should be accorded that privilege and we simply must support them, given those considerations.

Among the mid-old and the young-old, this tendency is not prevalent. These people, we people, are going to go over where it is at, wherever that is—many of us to mobile home courts, to condominiums, to congregate housing. But the point I want to make in regard to that is that portion of housing that is presently occupied by seniors, when those seniors pass on, that will no longer be occupied by seniors, that will be left out of the presently occupied senior housing, another area of demand and losing part of what we have.

So in summation, I want to say that we are short today. We are not building more. We are losing some of what we have through both of those trends and we are increasing in numbers by leaps and bounds so we have a coming crisis in senior housing in America. It is we who have to recognize that and I certainly want to have that in the record.

Mr. WYDEN. Very well said. I think what we want to do is take a break from our existing order and let my colleague ask a few questions now and make some concluding remarks. He has got a plane to catch. I think people in Portland should feel very, very fortunate that he is able to come today. I think we are very lucky to have a senior advocate that joins in for the seniors and working people. Don Bonker has been right there in the forefront of leading the fight and I really appreciate his leadership. I am just a freshman in Congress and he has been very helpful to me and I think we ought to let him ask his questions, make some concluding remark, and we will pick up our order.

And, Don, again, thank you for being here.

Mr. BONKER. You are more than just a freshman in Congress, Ron, and you say such nice things that I would like you to come into my district some time between now and November.

I do have to go and I apologize but I want to say, Al Ham, that I appreciate not only your practical experience in this area but your philosophical commitment to decent housing for senior citizens. And in the Northwest, we are doubly impacted because housing not only provides deserving people shelter and security, but it is also very important to our housing industry and our wood products industry which is dependent on housing and it just seems like President Reagan has a vengeance against housing when someone looks.

And I have unemployment in many of my counties that stand on the wood products industry, and public housing has been a Portland component in the housing industry. And if we eliminate all the programs, then we are not only going to deny people housing but put more people out of work, especially in the Northwest.

I would like to put into the record a statement that was submitted by Woodrow Wilson. If I had a name like that, I would run for President. Ron, who is executive director of the Oregon/Washington Union and I think his comments are pertinent because they refer to the title V program that is destined to be cut if that supplemental bill is not overridden when we go back to Washington next week. He points out that the Green Thumb program—and, incidentally, he is chairman of the advisory committee in Oregon and Washington that administers or oversees the Green Thumb program, that it employs 16,000 low-income seniors in 7,000 local communities, rural communities. And more than half of the Green

Thumb workers are women and those who need to supplement their income.

What is interesting is that he notes that senior community service employment programs are threatened with extinction by President Reagan's veto of the supplemental bill which is ironic in the fact that nearly $2 billion—it was $2 billion less spending than originally requested by the President.

And I would like to cite your senior Senator, Mark Hatfield, for his courageous efforts to get this bill overridden by a vote in the Congress. He was very quick to criticize the President for his veto of it. But in any case, if it is not restored, then 52,000 men and women who are presently enjoying work opportunities and supplement their income, all those jobs would be lost.

This is really a fine statement and if there is no objection, Chairman Wyden, I would like to have it included in the record at this point.

[The prepared statement of Woodrow Wilson, executive director of Oregon-Washington Farmers Union follows:]

Prepared Statement of Woodrow Wilson, Executive Director, Oregon-Washington Farmers Union, Vancouver, Wash.

Mr. Chairman and Members of the Committee, I am Woodrow Wilson, Executive Director of the Oregon-Washington Division, National Farmers Union. My address is 10453 Fourth Plain Blvd., Vancouver, Washington. I am here today to share with you the concerns of my members over recent severe cuts in Federal programs and prospective budget cuts that are extremely detrimental to older citizens in this region.

All social programs have been restricted during the past year, as we all know. These cuts in human services have been made as a trade-off for an unconscionable build up in spending for instruments of war. I have been especially concerned in recent days by comments from some of your colleagues indicating that they wish to attempt a major "reform" of the social security system after the elections in November in a supposedly less political climate. I am concerned that such a move may create the opportunity for a dismantling of the system.

I wish to speak today primarily to the budget cuts effecting the senior community service programs funded under Title V of the Older Americans Act. I serve as chairman of the Advisory Committee for the Oregon-Washington Green Thumb Program, funded under Title V. The Green Thumb Program employs 16,000 low-income seniors in 7,000 rural community service agencies in forty-nine states. More than half of our Green Thumb workers are women who need to supplement their meager pension or social security incomes with part-time and full time employment. This program is available only to qualified low-income applicants. Green Thumb workers provide vital public services.

The Oregon-Washington Green Thumb program is one of the oldest in the nation. This region was one of four areas selected in 1964 to test the feasibility of a senior community service employment program. The experience proved successful and Congress expanded the program nationwide. Since the beginning the Oregon Washington program has served as a model for other states.

One of the primary objectives of the senior community service employment program and its contractors like National Farmers Union is to hire older workers for employment in the private sector and to place them in non-subsidized jobs. The U.S. Department of Labor has established a national goal of placing 15 percent of all Title V workers into private sector employment annually. The placement rate for the Oregon-Washington Green Thumb program has been nearly 50 percent during the past year. This is a testimonial to the soundness of the program under the able management of Mr. Joe Evans.

Green Thumb and all senior community service employment programs are threatened with extinction by President Reagan's veto of HR-6863 the supplemental appropriations bill last Saturday. Although the legislation passed by Congress called for nearly two billion dollars less spending than originally requested by the President, he vetoed the measure because he disagrees with the spending priorities.

Without passage of this measure the senior community service employment program will end 29 days from now.

Extinction of this program will rob 52,000 women and men of the opportunity to supplement their incomes and maintain their personal dignity through gainful employment. Extinction of this program will also violate concurrent resolutions passed by overwhelming majorities in both houses of Congress in July calling for no reductions in Title V employment programs. H. Con. Res. 278 passed the House of Representatives with only four dissenting votes and over 400 yea votes! It will simply add more people to the ranks of the millions in our nation currently suffering unemployment, poverty and despair.

The most important immediate action you can take is to return to Washington at the end of the current congressional district work period and to devote all of your efforts to overriding the President's vote.

Thank you.

Mr. WYDEN. Absolutely. I am sorry you won't hear from the remaining witnesses but I would like to thank Congressman Bonker in initiating these hearings which are timely and important to the committee's consideration of special problems with elderly women in America.

Thank you very much.

I think we will proceed but, again, our thanks to Don Bonker for taking time on his schedule and let us just proceed with our remaining witnesses and then I will have a couple of questions as well.

Ms. Lenhoff, did you want to go next?

STATEMENT OF NORA LENHOFF

Ms. LENHOFF. I am speaking for Bill Hunter who is the Executive Director of the Housing Authority of Portland. He was late for another meeting.

Mr. WYDEN. Just so we know, you are with the Housing Authority?

Ms. LENHOFF. I am with the Housing Authority in Portland. The housing authority houses approximately 10,000 lower income citizens. And of these, approximately half are elderly and of these elderly, 77 percent are women. We have a waiting list with more than 3,000 names and the average waiting period of senior housing is 2 to 3 years. This may not mean much except that what happens when we finally come around to people's names, they are either too ill, unable to move into housing or frequently have passed away.

You have already heard many of the statistics and so I won't repeat them but I will tell you about the effects that several pieces of the administration's current legislation will have on elderly tenants. The plan to eliminate medical expense deductions in calculating rent will affect the elderly more than any other group of tenants. Besides driving up an individual rent payment, it has been the housing authority's experience that tenants that use medical deductions frequently have chronic health problems that require extensive medications. It is not uncommon for an elderly person to spend $75 to $100 a month for prescription drugs. Needless to say, when your income is fixed, low, and inadequate, every penny means less for food and other expenses. Again, it is those who are most in need, who are going to be hurt by this seemingly minor regulatory change.

While we all share in the desire to reduce Federal spending, we don't feel this is the way to do it. Perhaps instead of the eliminating member expense deductions, a flat allowance such as the IRS uses will be more equitable.

Another example of this administration's plans which will hurt elderly tenants is changing recertification. This will cause elderly tenants to be faced more frequently with rent increases. Although the administration claims to support social security cost-of-living increases, it is by this act taking away with one hand some of what it is giving with the other.

The last example is the congregate housing service program. People have spoken about congregate care today. We have such a program in one of our projects and it has been instrumental in keeping many of our tenants out of nursing homes. It is an effective program and we have been notified there will be no further funding for it in 1983.

Perhaps the administration doesn't realize that it costs more to keep people in nursing homes than in publicly assisted housing, and we would strongly support any efforts to get further funding for congregate care.

Basically, we would just like to summarize what everybody else has been saying: That balancing the budget on the backs of the poor and elderly is not the way to go, and the housing industry is not just one of Mr. Reagan's pet peeves. It seems to be housing tenants and low-income housing tenants that really seem to be taking the heavy burden.

Thank you.

Mr. WYDEN. Thank you.

STATEMENT OF LUCILLE TENANT

Ms. TENANT. My name is Lucille Tenant. I have been a resident of Oregon for 76½ years.

I had quite a scare in 1972, and the way things are going, I am having a scare now. I don't mean 1972; I mean 1966. In 1966, my husband passed away, and I think you, Mr. Wyden, know what the wages were at that time.

I went over to report it to the Social Security, and she looked at me and said, "Mrs. Tenant, you are just 60 years old, aren't you?"

I said, "Yes."

She said, "You can apply for social security. If you take it now, you will have to take a cut." And she said, "Have you been working?"

I said, "No, I have been a housewife all these years, but since my husband has been ill, I have kind of been an assistant manager at this apartment house and I keep covered with slacks."

I think that is why men are glad they wear pants; people can't see their legs.

But furthermore, I had to do something because working there, they didn't take anything off of my rent, but they didn't raise my rent, and I was getting $99 social security.

Well, I didn't know right then that you could sign up for subsidized housing, but when I found it out, I certainly went there and I signed up. I waited 2 years and 20 days before I got in, and I darn near didn't get in because at that time you had to pay $50 a month and my income wasn't large enough to figure $50 a month, but I got a raise in July and it worked out all right. I could pay $51.

You don't know what a wonderful feeling that is. I don't think you could know what it means for an elderly person to have a home that they can be safe in and that they can afford.

Thank goodness this administration wasn't in effect then, but they have scared me again because they are trying to take it away from us. I don't know what is going to happen, but I have tried to get you at our building, but I didn't have very good success. I am from Hollywood East, and we have 299 senior citizens.

Mr. **Wyden**. I have been out to Hollywood East several times. I never turn down an invitation.

Ms. **Tenant**. I think we got you mixed up and sent you out to 100th and something.

Mr. **Wyden**. I will always be glad to come. You give us a call again and we will work something out for you.

Ms. **Tenant**. We have a second Monday in each month, and I am sure our president would make room for you because I would like you to come out and see those people.

Mr. **Wyden**. I have been out there before, and I am happy to come again. It is a good program and I want to help in any way that I can.

Ms. **Tenant**. I don't like to turn on the TV and have people scared to death that their social security is going to be taken away from them. When I and different people in our building go down to the building and here come poor little souls paying $65 or $100 a month for medication and think they are going to lose their social security, it scares them to death.

I asked Mr. Hunter if he would please come in and tell them they weren't going to lose their social security tomorrow morning, which he did, and that is an awful fear. I try to show my appreciation of what I got by helping our citizens.

I am associated with the Hollywood Boosters as a liaison for the people there, and Trimet and I have been buddies for years, but every once in a while they want to take the bus away from across the street where our people can go across the street and not walk 4 or 5 blocks with a cane or a walker.

I have tried to work with the city to get the holes patched up and the crosswalks fixed so our tenants won't get their cane or their walker caught in one of them. They have done a pretty good job, but they left us some ponds of rain now when it rains, but they are going to come out and fix it.

Mr. **Wyden**. If they are going to fix the rain, that will be good.

Ms. **Tenant**. Not in Oregon. I don't want them to.

Mr. **Wyden**. Go ahead.

Ms. **Tenant**. But I will end this by saying I am frightened. I really am frightened what they are going to do to public housing. What are they going to do, take us out and shoot us like they do in some of those countries where you get old and dilapidated?

I didn't write anything down. This just comes from my heart, and I hope you forgive me for not having a written statement.

Mr. **Wyden**. You have said it very well, Ms. Tenant, and in a sense that is what is really important, that a congressional committee hears it from somebody's heart. It is always hard to translate your feelings and your concerns about something like this in a really direct kind of account because it gets mixed up when it is put on a piece of paper.

I appreciate you and all of our witnesses. I said at the start of this morning's hearing that what we were talking about today is really measuring the impact of budget cuts on older women in this country to decide whether the budget cuts that have been enacted in the past 2 years have been fair to older women, whether they have worked an undue hardship on this segment of the population or, as the administration said, they were only cutting fat and they weren't cutting lean.

I will tell you what I have heard and seen today does not paint a very pretty picture. We have heard in the last couple of hours about tremendous increases in health care costs for senior citizens, slashes in housing programs, your panel, the title V cuts which could be so devastating to people who want no handouts, who want nothing that resembles charity, who just want to be able to pay their own way.

Because of your work and because of your doing, it is going to help Don Bonker and I to enlighten our colleagues. I think we will be able to persuade some of our colleagues to turn the priorities around because that is what this is really all about.

Just as Michael Stoops talked about in his testimony, somehow there are just all the funds that are needed for military cost overruns, for tax breaks, for the oil industry. This week the President talked about $350 million for a foreign aid project in the Caribbean Basin.

It just seems to me when you start talking about budget cuts, you have to start talking about fairness, and not single out all the people at the bottom of the ladder, people who pay their own way in society, earn the benefits, as one of our witnesses said on one of the past panels, Miss Linn.

Because of your work, it is going to make it a little bit easier for Don Bonker and I to try to turn some of these priorities around in the Congress, and I really appreciate all of you taking the time to come.

Chairman Pepper asked particularly that I convey the committee's thanks. This is the first hearing held in the country on the special impact of budget cuts on older women. I anticipate there will be more hearings, and my thanks to you. I will do everything I possibly can to make sure your voice is magnified in this Congress and that we turn some of the priorities around.

Thank you all, and the members of the audience and the witnesses who have waited a long time, for coming today.

The hearing is adjourned.

[Whereupon, at 1:30 p.m. the subcommittee adjourned.]

APPENDIX

LOWER COLUMBIA COMMUNITY ACTION COUNCIL, INC.,
Longview, Wash., September 2, 1982.

Rep. DON BONKER,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE BONKER: Attached is a brief statement developed in response to the hearing held in Portland on September 1st. We would have welcomed an opportunity to testify at that hearing but with only one day's notice could not get on the agenda nor adequately provide the in depth testimony which would be helpful and desirable.

Therefore, please accept this statement as a reflection of the concerns we have with the Reagan economy and its effects on the aging women.

Sincerely,

BEVERLY LINCOLN,
Executive Director.

LOWER COLUMBIA COMMUNITY ACTION COUNCIL, INC.,
Longview, Wash., August 31, 1982.

To: House Select Committee on Aging.
From: Lower Columbia Community Action Council.
Re: Testimony pertaining to "The Impact of Reagan Economics on Aging Women".

The Lower Columbia Community Action Agency is responsible for delivery of a wide range of services to Senior Citizens in Cowlitz and Wahkiakum Counties in Southwest Washington. The types of services provided include door to door and regularly scheduled rural Transportation; Information and Assistance; a Newspaper reaching 6,500 homes; Case Management; Senior Nutrition in both Congregate and Home Delivered Meals; and In-Home Care which includes Chore Services, Lawn Care, Home Repair and Companion Care.

We, therefore, feel well qualified to speak on the topic of "Reaganomics and Aging Women".

Pensions and Health Care insurance work to the distinct disadvantage of the older woman. If marriage is considered a partnership in which the woman cares for the home, spouse and children, then there are extreme inequities. The receipt of pensions are based on the male partner as the worker outside of the home, as is health insurance likewise tied to employment. The wife is in a vulnerable position as she has no pension or insurance of her own for carrying out her part in the partnership. If widowed or divorced, the elderly woman is left with no coverage and frequently a level of skills and an age that makes employment very difficult, if not impossible.

Social Security benefits fail frequently into the same trap. As benefits are evaluated for ways to curtail costs, it seem ironic that one area to save costs is to reduce benefits to the widowed woman that has not the work credits in her own name. Again, the support is based on previous employment and the widows' partnership in the marriage is considered valueless. The woman is the care giver as her profession in the home; yet, when she is in need of care, there is none available.

Sincerely,

BEVERLY LINCOLN,
Executive Director.